



Endless Possibilities to Promote Innovation

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We are at your service

Additional information is available on the Israel Innovation Authority website: innovationisrael.org.il

Important information

The incentive programs listed in this brochure operate under the R&D Law and its related regulations. In case of a contradiction – these rules always prevail over information provided in various media channels and as written in this brochure.

Innovation is Our Natural Resource

Innovation is by far the most valuable resource for the State of Israel, serving as a national asset crucial to economic prosperity. Strengthening the innovation ecosystem is the mission of the Israel Innovation Authority, which seeks to further develop and support technological innovation in Israel through various support programs.

The Israel Innovation Authority provides a variety of practical tools and funding platforms aimed at addressing the dynamic and changing needs of the local and international innovation ecosystems.

With deep knowledge and understanding of the unique challenges facing Israeli companies and entrepreneurs, these tools and programs are based on the specific stage and needs of a company. This includes programs for early stage entrepreneurs, mature companies developing new products or manufacturing processes, academic groups seeking to transfer their ideas to the market, multinational corporations interested in Israeli technology, Israeli companies seeking new markets abroad, and traditional factories and plants seeking to incorporate innovative and advanced manufacturing into their businesses.

Due to the wide range of clients and their varying needs, diverse support tools have been developed over the years. The Authority is working to enhance and adapt these tools to its clients needs, making them more accessible via a new internal structure focused on targeted innovation divisions. Each division offers a unique "toolbox" of customized and comprehensive incentive programs designed to address the changing and dynamic needs of the division's primary clients. These divisions likewise serve as a launch pad for successful technology projects, providing entrepreneurs and companies with the most relevant program for them to realize and implement their innovative ideas, develop their products, and mobilize private investment.

This brochure is designed to serve as a guide to help you understand and navigate the new structure of the Israel Innovation Authority. By getting familiar with the Authority's six divisions and various incentive programs, you can find the right program and tools tailored just for you, helping to get your innovative ideas to the market.

Israel Innovation Authority

The Israel Innovation Authority, which is responsible for the country's innovation policy, is an independent and impartial public entity that operates for the benefit of the Israeli innovation ecosystem and Israeli economy as a whole. Its role is to nurture and develop Israeli innovation resources, while creating and strengthening the infrastructure and framework needed to support the entire knowledge industry.

As such, the Israel Innovation Authority advises the government and Parliament ("Knesset") committees regarding innovation policy in Israel and furthermore monitors and analyzes the dynamic changes taking place throughout the innovation environments in Israel and abroad. The Authority creates cooperation with counterpart agencies to promote technological innovation in the Israeli industry and economy.

An innovation ecosystem is a complex economic system that changes very rapidly. In order to serve our clients in the best possible way, we constantly strive to adapt our support tools to the changing demands and challenges of the hi-tech industry in Israel. Accordingly, we design and operate a variety of dedicated programs for private sector companies, promoting unique initiatives that translate policy into practical tools for the industry. This ensures the continuous development of the Authority's operational scope, along with the expansion and strengthening of technological research and development in Israel.

The Authority's vision is to create economic prosperity through innovation

This vision is divided into two complementary goals: maintaining Israel's position at the forefront of global innovation and elevating the entire economy through technological innovation. This vision is the only business plan relevant to the Israeli economy, which is relatively small and far from major markets. Despite these drawbacks, Israel enjoys a vibrant entrepreneurial culture, strong technological infrastructure and highly skilled human capital, allowing it to grow on the basis of innovation.

Objectives and functions:

Responsibility for developing the innovation infrastructure in Israel: Developing the hi-tech industry, while utilizing and expanding the existing technological and scientific infrastructure and human resources in Israel.

Maintaining Israel's international status as the "Startup Nation": Creating jobs in the industry and incorporating scientific and technological personnel, as well as creating returns for the economy and encouraging growth.

Distribution of grants and financial support for innovative-technological R&D: Increasing productivity and promoting technological innovation across all of Israel's industrial sectors, as well as improving Israel's economic status through production and export of R&D intensive hi-tech products

Connecting the Israeli economy with the global innovation industry: Initiating and establishing international agreements with countries and multinational corporations to advance the goals of the R&D Law relating to international cooperation in R&D and innovation.

Promoting and encouraging programs, policies, laws and government reforms, as well as promoting major moves with public and private collaboration.

The Israel Innovation Authority's structure:

In order to achieve the above-mentioned objectives, the Israel Innovation Authority has adopted an internal structure designed to enable: task and client orientation, concentration of knowledge and tools under a single entity, enlargement of the offered toolbox, and expansion of the scope of activities beyond R&D. This strategic approach is advanced through a number of innovation divisions each focused on a specific target audience, for the purpose of developing and delivering dedicated solutions to their associated challenges.

The innovation divisions include: Startup Division, Growth Division, Technological Infrastructure Division, Advanced Manufacturing Division, International Collaboration Division, and Societal Challenges Division. These divisions pave a variety of customized paths for entrepreneurs and companies to promote, implement and realize their innovative R&D ideas at various stages.



Startup Division

The Startup Division offers unique tools to support the early development stages of technological initiatives. These tools assist entrepreneurs and startup companies in developing their innovative technological concepts at the pre-seed or initial R&D stages, transform their ideas into reality and reach significant fundable milestones.

The Startup Division incentive programs are designed for the following target audiences:

- ▶ Entrepreneurs with an innovative technological idea.
- ▶ Early stage startup companies.



Growth Division

The Growth Division operates a wide range of incentive programs that promote technological innovation of mature and growth companies. This division contributes to the promotion and preservation of competitiveness and technological leadership of companies, as well as the increase of their growth rates and potential.

Target audiences:

- ▶ Hi-tech companies in sales or pre-sale growth stages.
- ▶ Mature hi-tech companies that utilize growth channels based on technological innovation and/or seek assistance in funding innovative R&D.



Technological Infrastructure Division

The Technological Infrastructure Division focuses on collaboration between industry and academia to produce advanced technologies and innovative products. The incentive programs offered by this division promote cooperation, exchange of knowledge and experience, and development of generic groundbreaking knowledge by an integrated group of researchers from academia and industry. These incentive programs seek to strengthen the long-term technological advantages of Israeli industry in the face of fierce international competition.

Target audiences:

- › University researchers interested in transforming their discoveries into products.
- › Academic research institutions looking for new and practical research directions for the industry.
- › Industrial corporations interested in developing innovative products.



Advanced Manufacturing Division

The Advanced Manufacturing Division focuses on promoting the implementation of R&D and innovation processes in companies in the manufacturing sector, in order to strengthen their competitiveness in the global arena and improve productivity across a variety of industrial sectors. The programs offered by this division boost manufacturing-oriented industries and encourage the owners of mainly small and medium-sized factories and plants to develop products, technologies and manufacturing processes to realize these goals.

The Advanced Manufacturing Division incentive programs are designed for the following target audiences:

- › Israeli industrial enterprises whose main activity is in its essence manufacturing, and that operate in the low- and medium-low-technology sectors.
- › Israeli industrial enterprises that have at least one active production line, as well as distinctive characteristics of a manufacturing-oriented industrial company – high rate of production operations, low rate of R&D activity, low level of R&D infrastructure, lack of significant intellectual property, etc.



Societal Challenges Division

The Societal Challenges Division focuses on improving productivity through technological innovation in the public sector and social organizations. This division is also responsible for R&D aimed at dealing with social and environmental challenges, including the diversification of the population employed in the hi-tech industry and the creation of appropriate technological solutions for disadvantaged populations in Israel and abroad.

The Societal Challenges Division programs are designed for the following target audiences:

- › Companies and non-profit organizations interested in developing technological solutions for populations with special needs.
- › Companies and non-profit organizations interested in developing technological solutions for populations facing social and environmental challenges.
- › Entrepreneurs interested in developing innovative products and services that will address public sector challenges.



International Collaboration Division

The International Collaboration Division is responsible for creating bridges to new international markets, building platforms for cooperation in innovative R&D, and attracting strategic foreign stakeholders to Israel, all while creating competitive advantages for the Israeli industry in the global market. These initiatives are made possible through an array of bilateral cooperation agreements and bi-national funds that support joint R&D and industrial projects between international partners.

Since the above-mentioned activities are relevant to other divisions of the Authority, target audiences of other divisions can also benefit from the array of programs, tools and international connections available through the International Collaboration Division.

The International Collaboration Division acts as a bridge between economies and business cultures, and its activities are directed at both Israeli and foreign clients, as follows:

Foreign clients: R&D companies, multinational corporations, foreign investors, etc.

Israeli clients:

- › Israeli entrepreneurs and companies that are looking for comprehensive assistance in penetrating foreign markets.
- › Academic institutions, NGOs, local authorities and hospitals that wish to join research consortiums, research groups and other similar platforms.

Israeli government on whose behalf the Authority operates a variety of cooperation agreements with foreign governments and funding bodies abroad.

Foreign governments and foreign funding agencies seeking to establish cooperation agreements with the Israeli government (on whose behalf the Authority operates).

Divisions of the Israel Innovation Authority



Startup Division

✓ The Startup Division offers unique tools to support the early development stages of technological initiatives. These tools assist entrepreneurs and startup companies in developing their innovative technological concepts at the pre-seed or initial R&D stages, transform their ideas into reality and reach significant fundable milestones.

The Startup Division incentive programs are designed for the following target audiences:

- › Entrepreneurs with an innovative idea (pre-seed).
- › Early-stage startup companies.

Startup Division Incentive Programs:

- › Tnufa Incentive Program
- › Incubators Incentive Program
- › Early-Stage Incentive Program
- › Young Entrepreneurship Incentive Program
- › Renewable Energy Technology Center
- › Angels Law



Tnufa Incentive Program

The Tnufa incentive program is designed for fledgling entrepreneurs who are interested in formulating and validating an innovative technological concept and in reaching the R&D stage, where they can raise funding for further development and commercialization.

Goal of the incentive program:

Support entrepreneurs in proof of concept and business feasibility of the project.

Who is the incentive program for?

- › Private entrepreneurs
- › New Israeli startup companies

What do you get?

- › The conditional grant provided as part of the Tnufa incentive program is up to 85% of the approved budget, with a maximum grant of NIS 200,000 for a period of up to two years.
- › The grant funds are used for building an initial prototype, intellectual property protection and initial business development.

Why should you apply for this incentive program?

Favorable conditions for entrepreneurs: The entrepreneurs are not obliged to leave their place of work or establish a company as a condition for receiving support as part of the Tnufa incentive program. Moreover, the entrepreneurs are not required to give up their rights to the project or issue shares to the state in return for a grant.

Quality mark support: The support of the Tnufa incentive program allows entrepreneurs to test the feasibility of their projects, as it reflects a professional and objective vote of confidence in their potential. This can help entrepreneurs raise additional capital following the initial funding.

Follow-on funding by the Authority: Following the completion of the support period in the Tnufa incentive program, the project may receive support from one of the additional incentive programs offered by the Authority: Technological Incubators, Early Stage Companies, R&D Fund, Bi-National funds, and others.

How to apply?

- › The application is carried out according to the application procedures set forth by the Authority, as detailed on its website.
- › Prior to application, please review the list of binding conditions for grant recipients in a relevant incentive program, as detailed on the Authority's website.

For additional information please contact:

Startup Division

Email: SU@innovationisrael.org.il

Details on the Israel Innovation Authority website: [Tnufa Incentive Program](#)

Incubators Incentive Program

This incentive program is designed for entrepreneurs who are interested in establishing a startup company based on an innovative technological concept. A technological incubator is a center for entrepreneurship intended to invest in new startup companies and provide them with administrative, technological and business support. The incubator offers a supportive framework for the establishment of a company and development of a concept into a commercial product. Today there are 18 technological incubators and one designated biotechnological incubator, which are privately owned by seasoned and experienced groups, such as venture capital funds, multinational corporations, as well as private investors and others. The incubators are selected through competitive processes for a license period of eight years and are spread across Israel. The list of incubators operating in Israel is available on the Authority website.

Goal of the Incentive program:

Supporting entrepreneurs with innovative technological concepts at the initial stage of R&D in establishing startup companies and helping them reach a significant fundable milestone.

Who is the incentive program for?

- › Private entrepreneurs
- › New Israeli startup companies

What do you get?

The conditional grant provided as part of this incentive program is 85% of the approved budget, with a budget limit of NIS 3,500,000 for a period of up to two years (depending on project type and geographical location of the incubator). You can get an additional grant for a third year in accordance with the program regulations.

The conditional grant provided as part of the biotechnological incubator is 85% of the approved budget, with a budget limit of NIS 8,100,000 for a period of up to three years.

Supplementary investment financing of 15% of the approved budget by the incubator, which completes 100% of the total budget. No financial investment is required by the entrepreneur.

Comprehensive assistance from the incubator, including physical space and infrastructure, administrative services, technological and business guidance, legal advice and access to partners, additional investors and potential customers.

Why should you apply for this incentive program?

Favorable conditions for entrepreneurs: The entrepreneurs are not obliged to establish a company before the project is approved by the Authority.

Experienced partner: The incubator is a partner with vast experience and expertise in leading startups and commercializing products. It facilitates follow-on investments in companies that have graduated from the incubator and assists them in market penetration.

Administration: The incubator provides the entrepreneurs with all necessary administrative and accounting services in dealing with the Authority.

How to apply?

- ▶ Please contact the incubators directly. The incubator will perform a preliminary screening. Should the project be approved, the incubator will apply for support to the Authority.
- ▶ The Startup Division Committee will examine the project. Should the project be approved, a company will be set up for the project, following which operations can begin.

▶ For additional information please contact:

Startup Division
 Email: SU@innovationisrael.org.il
 Details on the Israel Innovation Authority website: [Incubators Incentive Program](#)

Early Stage Incentive Program

The Early Stage Incentive Program is designed for startup companies seeking to develop and promote an innovative technological project, as well as penetrate the market by raising investments from the private sector. The incentive program offers three sub-programs: standard program, minorities program, and orthodox program. Approval by the Authority serves as a significant springboard for companies in raising investments from the private sector.

Goal of the Incentive program:

To provide an incentive for private investments in early stage companies in product development and initial market penetration.

Who is the incentive program for?

- ▶ New Israeli startup companies
- ▶ The incentive program offers preferential terms to companies held by minority/orthodox entrepreneurs.

What do you get?

- ▶ The conditional grant provided under the Early Stage standard sub-program is 50% of the approved budget (60% for companies operating in preferred development regions and 75% for companies operating in the area surrounding the Gaza Strip) with a maximum grant of NIS 5,000,000 for a period of up to two years.
- ▶ The conditional grant provided under the Early Stage Companies minorities/orthodox sub-programs is 85% of the approved budget, with a maximum grant of NIS 2,000,000. The companies participating in these incentive programs can apply for continuation in the standard sub-program, with a maximum cumulative grant of NIS 5,000,000 for a cumulative period of up to two years.
- ▶ The company receiving the committee's approval of the project will be given the opportunity to raise the complementary funding needed for the project, up to six months after the date of approval.

Why should you apply for this incentive program?

Assistance during the establishment stages: The incentive program allows startup companies to overcome the difficulties in raising funds from the private sector.

Quality mark support: Support from the Authority is provided following a comprehensive professional assessment of the project, which serves as a mark of quality for companies in the industry in Israel and abroad. It also makes it easier for the company to raise private investment down the road.

Positive signal to investors: The possibility of mobilizing supplementary funding for up to six months after the approval of the project helps companies in their efforts to raise investments in the early stages of operation.

How to apply?

- ▶ The application is carried out according to the application procedures set forth by the Authority, as detailed on its website.
- ▶ Prior to application, please review the list of binding conditions for grant recipients in a relevant incentive program, as detailed on the Authority's website.

▶ For additional information please contact:

Startup Division
 Email: SU@innovationisrael.org.il
 Details on the Israel Innovation Authority website: [Early Stage Incentive Program](#)



Young Entrepreneurship Incentive Program

The Authority is working to train the next generation of entrepreneurs in Israel, who will continue to lead the country to the forefront of global technology. In order to operate the Young Entrepreneurship incentive program, the Authority partners with organizations that actively encourage and educate youth for business entrepreneurship. These organizations are selected through competitive procedures, and the incentive program is conducted in a one-year format.

The non-profit organization, Unistream, which encourages and educates youth for business entrepreneurship, won a tender in 2015 and was selected to operate the Young Entrepreneurship incentive program in the Authority, through a dedicated program called "Startup Now."

Goal of the Incentive program:

To encourage and educate youth for practical experience in business entrepreneurship, while imparting skills and knowledge that will help them integrate into the future world of entrepreneurship.

Who is the incentive program for?

- ▶ The incentive program is intended for organizations that are interested in instilling the basics of entrepreneurship and innovation for students in middle and high schools.
- ▶ The incentive program operates in different settings: schools, community centers and local authorities.

What do you get?

- ▶ As part of the Young Entrepreneurship incentive program, students learn concepts from the fields of business, economy and entrepreneurship. They also get practice in the process of establishing a company and developing a real business venture.
- ▶ Students experience the entrepreneurial process in practice, from the concept stage to production and sales.
- ▶ The process is supported by dozens of prominent businessmen from various fields who mentor and assist the students in developing their projects.

Why should you apply for this incentive program?

Empowering of youth: The incentive program is designed for diverse populations and different audiences that have never been exposed to entrepreneurship. The activities included in the incentive program empower young participants and develop their aptitudes and capabilities. The incentive program is carried out mainly in the south and north of the country, focusing on populations from Israel's social and geographic periphery.

Future prospects: Exposure to the incentive program's content and the concepts from the entrepreneurial world, as well as familiarity with business leaders who assist the students in the development of a business enterprise, allowing them a foothold in the Israeli entrepreneurial community.

How to apply?

- ▶ The incentive program is managed in different settings across the country and is determined by the organizations that operate the program.

For additional information please contact:

Startup Division

Email: SU@innovationisrael.org.il

Details on the Israel Innovation Authority website: [Young Entrepreneurship Incentive Program](#)

Renewable Energy Technology Center

The Renewable Energy Technology Center supports technological ventures and R&D projects starting from the stages of applied academic research and early stage entrepreneurship. The center enables testing and trials for products undergoing development and demonstration. The Center is operated by a licensee from the private sector, composed of strategic investors and an academic institute. The Center's activities are carried out in the Eilat region, allowing it to take advantage of the unique geographical and climatic conditions of the region, as well as the available government support.

Goal of the Incentive program:

To assist companies and entrepreneurs that are developing, or interested in developing, a product integrating an innovative technology that has economic potential in the fields of renewable energy and energy efficiency. In addition, the incentive program is designed for teams that can carry out the proposed R&D by themselves, on the technological and the managerial levels. This support is conditional upon the fact that the project could contribute to the development of the Eilat region.

Who is the incentive program for?

- ▶ Companies and entrepreneurs who wish to carry out projects that require technological R&D in the renewable energy and energy efficiency fields.
- ▶ The Renewable Energy Technology Center supports projects in relevant technological fields, such as solar energy, wind energy, geothermal energy, alternative fuels, energy efficiency, smart grid, energy storage, and more.
- ▶ The incentive program is available for early stage companies and entrepreneurs interested in developing technological projects in the renewable energy fields, as well as for researchers wishing to carry out applied research in these areas, and companies that want to conduct experiments in the testing areas operated by the Center.
- ▶ The assistance is carried out via three sub-programs:



Primary sub-program: Funding and support of applied R&D activities, via cooperation between academia and industry.

Advanced sub-program: Funding and support of technological projects of beginning companies in the pre-seed and seed stages.

Testing areas sub-program: Funding and support of demonstrations and experiments in the fields of renewable energy, through facilitating of testing areas and required infrastructures.

What do you get?


The participants of all the sub-programs receive professional and technical support from the Center's staff for the completion of the project. The financial support depends on the sub-program in which the operation is carried out:

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Primary sub-program: Financial support of 66% of the approved R&D expenditures for an activity period of up to two years. In exceptional cases a one-year extension of the activity period will be approved without changes in the scope of the financial support. The participants in this incentive program are exempt from paying royalties to the Authority.
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Advanced sub-program:
 Financial support of 60% or 85% of the approved R&D expenditures by the Authority, and supplementary financing up to 100% of the approved R&D expenditures by the Center's licensee for activity period of up to two years.

 Financial support of 60% of R&D expenditures for existing young companies at the beginning of their activities, even if they have been supported in the past by other incentive programs of the Authority or as part of any other program.

 Financial support of 85% of R&D expenditures is available only for projects that did not previously receive government support as part of one of the Authority's incentive programs, except for the Primary sub-program of the Renewable Energy Technology Center.

 The approved budget for a project is up to NIS 2,500,000. In exceptional cases, a one-year extension of the activity period will be approved without changes in the scope of the financial support.

 The entrepreneur or company that enjoys the benefits as part of this incentive program will repay the received funding to the Authority by the payment of royalties from sales, but only if the project succeeded in reaching the commercialization stage, and the company has revenues.
- 
Testing areas sub-program: Financial support of 50% of the approved R&D expenditures for activity period of up to two years, without having to pay royalties.

Why should you apply for this incentive program?



Substantial financial support for projects in the fields of renewable energy: A total budget of NIS 98 million is reserved for the support of projects carried out as part of the Technology Center during the seven years of the license period, and for continued investment of the licensee in the projects even after the completion of the activity period in the Center.

Assistance from a specialist in the fields of renewable energy: The activity is supported by a licensee possessing the necessary expertise, experience and connections with strategic partners and investment sources in the fields of renewable energy.

Quality mark support: Support from the Authority and the Technology Center is provided following a comprehensive professional assessment of the project, which serves as a mark of quality for companies in the industry, making it easier for them to mobilize private capital down the road.

How to apply?

Prior to application and selecting the incentive program, please see the list of conditions, as detailed on the Authority's website.

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 To apply for one of the incentive programs, the entrepreneur, company or research institution should contact the Center's licensee – Capital Nature Ltd.
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 Once the project is approved by the Center's licensee, it will be examined by a professional testing team of the Authority and transferred for the approval of the incentive program committee.

For additional information please contact:

Renewable Energy Technology Center
 Email: SU@innovationisrael.org.il

Capital Nature Ltd.
 Phone: 08-6371717 / 09-7715230
 Website: capitalnature.com
 Email: info@capitalnature.com

Details on the Israel Innovation Authority website: Renewable Energy Technology Center



Angels Law

Investments in Israeli R&D-intensive companies in the seed stage of R&D activities carry a high risk to investors and sometimes are lost as a result. To increase the financing sources of these companies by enlarging the volume of investment in them, the individual investors (angels) are given the option to deduct the investment amount from their current expenses for tax purposes. In order to do so, the target company that wants a deduction of the investment in its shares to be accepted as an expense must obtain approval from the Authority for its R&D expenditures. This law was substantially amended in late 2015 and now provides investors in Israeli R&D-intensive companies a higher degree of certainty.



Growth Division



The Growth Division operates a wide range of incentive programs that promote technological innovation of mature and growth companies. This division contributes to the promotion and preservation of competitiveness and technological leadership of companies, as well as the increase of their growth rates and potential.

Target audiences:

- ▶ Hi-tech companies in sales or pre-sale growth stages.
- ▶ Mature hi-tech companies that utilize growth channels based on technological innovation and/or seek assistance in funding innovative research and development.



Growth



Growth Division Incentive Programs:

- ▶ **R&D Fund** – Support of Competitive Research and Development
- ▶ **Greenhouse Gas Emissions Reduction**
- ▶ **Generic R&D Arrangement for Large Companies**
- ▶ **Business R&D in Agriculture**
- ▶ **Encouraging Investments in the Field of Alternative Fuels for Transportation**
- ▶ **Encouragement of R&D for Space Technology**
- ▶ **R&D Centers of Large Israeli Companies in Israel's Periphery**

R&D Fund – Support of Competitive Research and Development

This is the main incentive program designed for industrial R&D support for the development of competitive products and innovative processes. The R&D Fund, which offers the greatest financial incentives for R&D activities from the Israeli government, provides commercial companies in all areas with support for the development processes of new products or for the upgrade of existing technology. The support is offered to all businesses in Israel and all their branches, at all stages of R&D.

Goal of the incentive program:

- ▶ The R&D Fund encourages technological innovation in order to strengthen and promote the Israeli economy.

What do you get?

- ▶ A conditional grant of 20% to 50% of the approved R&D expenditures.
- ▶ Companies operating in development zones (periphery areas) are eligible for additional support of 10%.

Why should you apply for this incentive program?

Attractive financing model: The R&D Fund provides financial benefits of significant scale; it participates in the risks involved in the development process of the company. The companies that receive financing undertake to repay the received funding to the Authority via royalty payments from sales, but only if the project succeeds in reaching the commercialization stage (conditional grant).

Long-term R&D: The R&D Fund enables long-term R&D operation for the development of future products and innovative technologies that provide the company with a competitive advantage and the ability to penetrate new markets.

Quality mark support: Support from the Authority is provided following a comprehensive professional assessment of the project, which serves as a mark of quality for companies in the industry and makes it easier for them to raise private capital in the long-term.

How to apply?

- ▶ Prior to application, please carefully read the instructions specific for each dedicated incentive program, as well as the complete list of conditions, which specifies the rights and obligations of the applying company, as detailed on the Authority's website.
- ▶ Fill out the online documents and forms, available on the website, in accordance with the company size. In addition, print and sign the declaration and authorization form (also available on the website) and send it by mail.

For additional information please contact:

Growth Division
Email: GR@innovationisrael.org.il
Further information on the Israel Innovation Authority website: R&D Fund

Greenhouse Gas Emissions Reduction

The Israeli government has set national goals to increase energy efficiency and reduce greenhouse gas emissions. To this end, a plan was set forth to support investments in projects in these fields totaling NIS 300 million in 2016-2019. As part of this plan, a dedicated incentive program was created in order to provide support beyond the standard programs, aimed at projects dealing with first commercial installations of new Israeli technologies. The incentive program is operated by the Israel Innovation Authority, in collaboration with the Investment Center and the Ministry of Environmental Protection.

Goal of the incentive program:

To encourage demand for innovative Israeli clean-tech technologies, as well as to develop the Israeli hi-tech industry in the fields of energy efficiency and greenhouse gas emissions reduction.

Who is the incentive program for?

- ▶ Entities implementing new Israeli technologies in the fields of energy efficiency and greenhouse gas emissions reduction.

What do you get?

- ▶ A conditional grant of 40% of the installation cost.

Why should you apply for this incentive program?

Significantly greater support and potential applications: The dedicated incentive program offers the opportunity to implement innovative technologies with potential, to create economic and environmental value, and to receive financial support of 40% of the installation cost, compared to financial support of 20% of the installation cost as part of the standard incentive program.

How to apply?

- ▶ The application forms for assistance are available on the websites of the authorities involved in the incentive program – the Israel Innovation Authority, the Investment Center and the Ministry of Environmental Protection.

For additional information please contact:

Growth Division
Email: GR@innovationisrael.org.il
Further information on the Israel Innovation Authority website: Incentive Program Dedicated to the Increase of Energy Efficiency and Reduction of Greenhouse Gas Emissions

Generic R&D Arrangement for Large Companies

This incentive program allows large companies to focus on long-term creation of new knowledge and technological infrastructure, used for the development or production of future innovative products.

Goal of the incentive program:

To encourage and support long-term R&D of large companies, which invest in the development of infrastructural knowledge that can be implemented in a series of products over a long time frame. The R&D plans under the arrangement are exempt from royalties (full grants). R&D projects submitted to this incentive program should include a long-term R&D plan or collaboration with another Israeli company.

Who is the incentive program for?

- Large Israeli companies with revenues of more than USD 100 million, with total R&D expenditures that are more than USD 20 million, or alternatively, Israeli companies that employ at least 200 employees directly in R&D.

What do you get?

- A grant of up to 50% of the approved R&D expenditures for long-term R&D plans or for an R&D project executed in cooperation with another Israeli company.
- The company receiving the support will not be obliged to pay royalties to the Authority (full grant).

Why should you apply for this incentive program?

Financial grant: The incentive program offers a grant used for the R&D process of a new product or the upgrade of an existing product.

Long-term R&D: The incentive program enables long-term R&D operations for the development of future products and innovative technologies that provide the company with a competitive advantage and the ability to penetrate new markets, as well as strengthen overall growth in the Israeli economy.

Attractive financing model: The incentive program offers participation in the risks involved in the development process, but not in the revenues or future achievements.

How to apply?

- Prior to application, please carefully read the complete list of conditions, which specifies the rights and obligations of the applying company, as detailed on the Authority's website.
- Fill out the online forms, available on the website, in accordance with the company size and concentration of resources. In addition to the submission of the online application, please fill out the application forms available on the website, print and send by mail.

For additional information please contact:

Growth Division
 Email: GR@innovationisrael.org.il
 Further information on the Israel Innovation Authority website: Generic R&D Arrangement for Large Companies

Business R&D in Agriculture

This incentive program, operated by the Innovation Authority, is designed to encourage the development of agricultural products intended for sale and export. The joint professional committee of the Authority and the Ministry of Agriculture & Rural Development approves the R&D plans submitted for participation in this incentive program.

Goal of the incentive program:

To encourage and support R&D of products intended for sale and export in the field of agriculture, in order to strengthen and promote the agricultural sector in Israel.

Who is the incentive program for?

- Israeli business entities engaged in the field of agriculture, including agricultural companies.
- Various agricultural institutions, engaged in fields such as species enhancement, seeds, livestock improvement and more.

What do you get?

- Conditional grant of 20% to 50% of the approved R&D expenditures for the development of agricultural equipment or innovative business agricultural technology.
- Companies operating in development zones (periphery areas) are eligible for additional support of 10%.
- To apply, the project must meet the following criteria:
 - The project must be engaged in the development of agricultural products – end flora and fauna products, agricultural inputs, and products that are inputs to local industry that exports the final products.
 - The applying companies may provide supplemental funding for 100% of the approved budget.
 - The applying institution or company must report to the Authority any change in the research, the company's structure or ownership of intellectual property.
 - Preservation of knowledge and intellectual property of the project in Israel – if the project owners plan to transfer their intellectual property abroad, they must receive prior approval from the Authority and pay the State a pro rata share of the proceeds, in accordance with the provisions of the R&D Law.

Why should you apply for this incentive program?

Financial grant: The incentive program offers a conditional grant used for the R&D process of an innovative agricultural technology, a new product, or the upgrade of an existing product.

Long-term R&D: The incentive program enables long-term R&D operations for the development of future products and innovative technologies that will provide the company with a competitive advantage and the ability to penetrate new markets, as well as strengthen the overall growth in the Israeli economy.

Attractive financing model: The incentive program offers participation in the risks involved in the development process. A company that receives financing undertakes to repay the received funding to the Authority via royalty payments from sales, but only if the project succeeds in reaching the commercialization stage (conditional grant).

Quality mark support: Support from the Authority is provided only following a comprehensive professional assessment of the project, which serves as a mark of quality for companies in the agricultural industry and makes it easier for them to raise private capital in the long-term.

How to apply?

- › Prior to applying, please carefully read the complete list of conditions, which specifies the rights and obligations of the applying company, as detailed on the Authority's website.
- › Fill out the relevant forms, available on the website, in accordance with the company size and the requested budget; attach them to the online application form and send via email.
- › In addition to the submission of the online application, please fill out the application forms available on the website, print and send by mail.

For additional information please contact:

Growth Division
 Email: GR@innovationisrael.org.il
 Further information on the Israel Innovation Authority website: Business Research and Development in Agriculture

Encouraging Investments in the Field of Alternative Fuels for Transportation

The Israel Innovation Authority is participating in the national plan to reduce global dependence on the use of petroleum for transportation and to address the real need for the development of economically efficient and cleaner alternatives than oil and its products. The incentive program offers favorable conditions to investors, as well as assistance to technology companies in order to advance the field of petroleum substitutes in Israel and to expand the pool of funding sources available in the field for Israeli companies.

Goal of the incentive program:

To encourage strategically-minded investors in Israel and abroad to finance Israeli companies engaged in the development and implementation of technologies in the field of alternative fuels for transportation, such as electric vehicle batteries, fuel cells, biofuels, synthetic fuels and more. The overall goals of this incentive program are to reduce global dependence on petroleum as an energy source for transportation and to promote the development of Israeli hi-tech in this field.

Who is the incentive program for?

- › Israeli technology companies engaged in the field of oil substitutes for transportation.
- › Israeli or foreign investors who wish to invest in Israeli companies engaged in the field of oil substitutes for transportation.

What do you get?

Companies supported by this incentive program will receive:

- › Financial assistance in the form of a loan, matching up to 50% of the total amount invested by private investors.
- › A loan for the investment in the company – from NIS 750,000 (against NIS 1.5 million invested by private investors) up to NIS 12 million shekels (against NIS 24 million invested by private investors).
- › The maximum aggregate loan amount is NIS 30 million (against NIS 60 million invested by private investors), which can be obtained by the company during its participation in the incentive program (until 2020).
- › The companies will be obliged to repay the received funding via royalty payments only if the investors did not exercise the loan repayment option in exchange for additional shares in the company, and only if the project results in sales.
- › The companies will be able to receive the incentive program's support together with the support of other programs offered by the Innovation Authority.
- › **The investors participating in this incentive program will receive:**
 - › An option allowing them to receive additional shares in the company under the conditions of the original investment, in exchange for the repayment of the full loan amount to the Authority instead of the company.
 - › Substantial government participation in the risk involved in the funding of research, development and application of innovative technologies in the field of alternative fuels for transportation.

Why should you apply for this incentive program?

Significant budgetary support concurrent with private investment: The Authority transfers its funding to the company simultaneously with the investment by a private investor, providing a large initial pool of capital.

Not only R&D funding: The transferred funds can be used for the support of various company activities, including business development and market penetration, and not only for R&D tasks.

Repayment in the volume of the received support: The maximum repayment to the Authority will not exceed the amount of the support (including LIBOR linkage) received by the company, as long as its activities are focused in the area of alternative fuels for transportation.

How to apply?

- › The application should be submitted by the company and the investor together.
- › Prior to application, please carefully read the complete list of conditions, which specifies the rights and obligations of the applying company, as detailed on the Authority's website.
- › Fill out the application form available on the website and send to the email address listed in the forms.

For additional information please contact:

Growth Division
 Email: GR@innovationisrael.org.il
 Further information on the Israel Innovation Authority website: Encouragement of Investments in the Field of Alternative Fuels for Transportation

Encouragement of R&D for Space Technology

This incentive program is a joint initiative of the Authority and the Israel Space Agency of the Ministry of Science, Technology and Space.

Goal of the incentive program:

To encourage R&D for finding solutions in the fields of space technology, while strengthening knowledge and technological development capacity of Israeli industry. To reduce the knowledge gap between Israel and the global market and improve the competitiveness of Israeli industry, despite the existing challenges, such as significant technological risk and high development costs, limited production quantities, and expensive systems.

Who is the incentive program for?

- › Companies that develop products in the field of space technology intended for installation in satellites or ground stations for management of satellite operations.
- › Companies that develop products in the field of space technology intended for reception or transmission of data from satellites.
- › Companies that develop equipment for calibration and testing of products in the fields of space technology intended for installation onboard satellites, or related to the operation of the satellites, including installation of different versions of the satellites intended for export sale.

What do you get?

Conditional grant of up to 85% of the approved R&D expenditures for a period of 36 months.

Why should you apply for this incentive program?

Long-term R&D: The incentive program enables long-term R&D operation for the development of future products and innovative technologies that provide the company with a competitive advantage and the ability to penetrate new markets, as well as strengthen the overall growth of the Israeli economy.

Financial support: The incentive program offers a conditional grant used for the R&D process of a new product or the upgrade of an existing product.

Attractive financing model: The incentive program offers participation in the risks involved in the development process. Companies that receive grants undertake to repay the received funding to the Authority by the payment of royalties from sales, but only if the project succeeds in reaching the commercialization stage.

Quality mark support: Support from the Authority is provided following a comprehensive professional assessment of the project, which serves as a mark of quality for companies in the industry and makes it easier for them to raise private investment for the long-term.

How to apply?

- › Prior to application, please carefully read the complete list of conditions, which specifies the rights and obligations of the applying company, as detailed on the Authority's website.
- › Fill out the relevant forms, available on the website, in accordance with the company's size. In addition to the submission of the online application, please fill out the application forms available on the website, print and send by mail.

R&D Centers of Large Israeli Companies in Israel's Periphery

This incentive program is part of the R&D Fund. The R&D centers located in Israel's outlying areas and development zones have an immense influence on the formation of independent economic activity.

Goal of the incentive program:

To encourage large companies to establish R&D centers in Israel's periphery, while constantly striving to reduce the gap between these outlying areas and the country's center.

Who is the incentive program for?

- › Large Israeli companies with a total sales turnover from their activities in Israel of more than USD 100 million (in the year prior to submitting the application) that wish to set up a development center in the periphery.
- › The incentive program is suitable for companies stating that over 50% of the total products that will be produced as part of the program will be in Israel. Furthermore, the company's R&D center will employ workers living in outlying areas in the rate not less than 40% of all employees in the first year of operations, 50% in the second year, and 60% in the third year.

What do you get?

A perennial approval of a conditional grant of 65%-75% of the approved R&D expenditures for an active R&D center in the periphery, for a period of two to three years.

Why should you apply for this incentive program?

Guaranteed budgetary support: The incentive program offers the company that transfers a significant portion of its operations from the center to the periphery, the certainty to get the budget for its activities for a period of up to three years.

Attractive financing model: The incentive program offers participation in the risks involved in the development process and the establishment of the center.

Contribution to fostering of the periphery: The participating companies serve as an economic engine and contribute to the fostering of innovation, as well as to the reduction of gaps between development areas and the center.

How to apply?

- › Prior to application, please carefully read the complete list of conditions, as detailed on the Authority's website.
- › To join the incentive program and for further inquiries, please contact the Growth Division.

For additional information please contact:

Growth Division

Email: GR@innovationisrael.org.il

Further information on the Israel Innovation Authority website: [R&D Centers of Large Israeli Companies in Israel's Periphery](#)



COMING SOON:

KIDMA 2.0 – Promoting Israeli Industry in the Field of Cyber Security

Several years ago, in order to maintain and enhance Israel's competitive position in the global cyber security market, the National Cyber Bureau and the Authority joined efforts to create KIDMA, a program aimed at providing benefits for the advancement of knowledge centers, creation of technological solutions in the field of cyber security, and encouragement of R&D activities in Israel.

KIDMA 2.0 is a continuation of the first program that ended in June 2015, which had an overall financing volume of NIS 100+ million from the budgets of both of the aforementioned organizations in accordance with the R&D Law.

This future follow-up program is still being implemented; it will focus on promoting the industry and will enable large companies to grow and realize their full economic potential in the cyber sector. This program will offer support via three incentive programs:

Breakthrough technologies: Support of the development of cutting-edge solutions based on advanced technology with the potential to significantly impact the cyber market at the global level (disruptive technology) in order to generate additional technological anchors, which will form the basis of large cyber companies in Israel. This incentive program will be designated for a long-term support (four years) in individual companies, and will focus on the provision of an increased grant, similar to the MAGNET grants.

Product development and proof of concept: Assistance to companies in bridging the gaps during the transition from the proof of concept (POC) stage of development to the stage of actual creation of product/service, through a provision of support in the POC and product creation processes beyond the technological R&D. This incentive program will offer support to individual companies for a period of one year, and its budget is intended for complementary activities beyond basic R&D.

Integrated solutions to difficult problems: Creation of large-scale cyber solutions for specific market problems, while combining technologies to create a competitive advantage for Israeli industry at the global level. This is achieved through support of integrated technological cooperation between several companies led by an experienced company in the field. This incentive program will offer support in the cooperation between at least three industrial technology R&D companies for a period of two years. Each company will have its own budget in accordance with the planned activities that will be contingent upon the fulfillment of the cooperation.

Investments of Institutional Entities in the Hi-Tech Industry

The Israel Innovation Authority encourages the entrepreneurial spirit and the development of advanced innovative knowledge that serves as the foundation for creating innovative technologies. As part of the support programs ensuring the continued growth of the hi-tech industry in Israel, the Authority operates an incentive program aimed at encouraging Israeli institutional entities to invest in the hi-tech sectors in the country. This incentive program is a joint creation of the Israel Innovation Authority and the Ministry of Finance. The incentive program offers government support that provides partial coverage of up to 25% of the losses (if such occur) of the investments of institutional entities in hi-tech companies operating in Israel.



Technological Infrastructure Division

The Technological Infrastructure Division focuses on collaboration between industry and academia to produce advanced technologies and innovative products. The incentive programs offered by this division promote cooperation, exchange of knowledge and experience, and development of generic groundbreaking knowledge by an integrated group of researchers from academia and industry. These incentive programs seek to strengthen the long-term technological advantages of Israeli industry in the face of fierce international competition.

Target audiences:

- › University researchers interested in transforming their discoveries into products.
- › Academic research institutions looking for new and practical research directions for the industry.
- › Industrial corporations interested in developing innovative products.



Technological Infrastructure Division Incentive Programs:

- › **MAGNET Consortiums**
- › **MAGNETON Incentive Program**
- › **NOFAR Incentive Program**
- › **Biotechnology – TZATAM Incentive Program**
- › **The Advanced Technologies Users' Association**
- › **Biotechnology – MIDGAM Bank (Tissue Bank)**
- › **Industrial Research Institutes**
- › **KAMIN - Promoting Applied Research in Academia**
- › **MEIMAD – Leveraging of Military, Defense and Commercial R&D of Dual Use Technologies**

Additional initiatives and incentive programs:

- › Israel's Membership in CERN
- › NIBN – National Institute for Biotechnology in the Negev



Technological
Infrastructure



MAGNET Consortiums

The MAGNET incentive program (Generic Pre-Competitive Technological R&D) focuses on consortiums of industrial companies and research institutions that collaborate to develop innovative technologies. The consortiums enable long-term R&D and create a supportive work environment. Collaboration with industry also strengthens the commercialization capabilities of research institutions and assists them in understanding market needs.

Goal of the incentive program:

To assist in the development of generic technologies in important fields in the global market, in which Israeli industry has a competitive advantage. Since the incentive program specializes in the development of infrastructural technology, it allows distribution of knowledge and cooperation between companies operating in the same field, which may be difficult to achieve otherwise.

Who is the incentive program for?

- ▶ Israeli manufacturing companies developing competitive products and simultaneously seeking to develop innovative technologies, which can be used as a basis to develop a new and advanced generation of products.
- ▶ Israeli academic research groups engaged in scientific or technological research, seeking to promote applied research as part of a consortium, as well as to collaborate with the industry and study the market needs.

What do you get?

- ▶ The amount of the grant provided through the consortium is up to 66% of the approved budget for an industrial company and 100% of the approved budget for a research institution (80% as a grant and 20% from the industrial companies in the consortium).
- ▶ The operating period is three to five years, in order to facilitate a long-term R&D process.

Why should you apply for this incentive program?

Exposure to new knowledge: The cooperation exposes the companies to new knowledge and allows collaborative R&D in ways that otherwise would not have been possible.

Solid ground for development: Long-term financial support, exemption from repayment of royalties, supply of the necessary equipment and creation of collaborations between leading industrial companies and academia serve as an expedient and solid framework for developing breakthrough technologies, as well as offer the consortium members an industrial advantage and contribute to the Israeli economy in general.

No royalties: The companies participating in this incentive program are exempt from paying royalties for repayment of grant funds transferred to them through the consortium.

How to apply?

- ▶ Prior to application, please carefully read the complete list of conditions, which specify the rights and obligations of the companies and organizations in the consortium, as detailed on the Authority's website.
- ▶ The application for membership in a consortium should be submitted in accordance with the guidelines published by the Technological Infrastructure Division.
- ▶ Following the above-mentioned guidelines, the Technological Infrastructure Division will hold a specialized conference with the participation of the core initiators of the consortium, as well as other companies and academic research groups that have expressed interest in joining the initiative. After the conference, the companies will formulate a preliminary document justifying the establishment of the consortium, which should be submitted to the Technological Infrastructure Division by the 1st of October each year.

- ▶ In an annual meeting held every November, a dedicated committee will consider whether to give an approval in principle to the establishment of the consortium. The approval will be given after considering other proposals submitted to the Technological Infrastructure Division that year. The approval in principle should not be considered as a confirmation of the Technological Infrastructure Division to begin work as part of a consortium.
- ▶ After receiving an approval in principle for the establishment of the consortium, a complete request for support of the consortium should be submitted to the Technological Infrastructure Division. Fill out the online documents and forms, available on the Authority's website. These documents should be signed by the authorized signatories of the applying company or the research institution and sent by email.
- ▶ The application should include un-scanned source files and scanned signatures pages in the relevant forms.
- ▶ The application by research institutes should be submitted as a single unit that includes all the relevant projects at once, with the addition of all the required accompanying documents.

For additional information please contact:

Technological Infrastructure Division

Email: TI@innovationisrael.org.il

Further information on the Israel Innovation Authority website: MAGNET Consortiums

MAGNETON Incentive Program

The MAGNETON incentive program encourages the transfer of technological knowledge accumulated in academia for the use of industry, by creating collaborations between Israeli companies and academic research groups. These collaborations expose industrial companies to the research achievements relevant to their activities and assist research groups in transforming academic developments into commercial applications.

Goal of the incentive program:

To transfer technology from research institutions to industrial corporations for the development of breakthrough products.

Who is the incentive program for?

- ▶ Israeli industrial companies seeking to incorporate new technologies developed in the academia and striving to develop a new product or to improve an existing product based on recent studies, relevant to their field of activity.
- ▶ Academic research groups from Israeli research institutes and think tanks approved by the Technological Infrastructure Division, seeking to carry out innovative and original applied research in collaboration with a leading company interested in the relevant technology. The research should be focused on technological feasibility for the industry, and the applying research institute should be the sole owner of knowledge in the project.

What do you get?

- ▶ An applied research grant of up to 66% of the approved budget, up to a total of NIS 3.4 million for a period of 24 months. The academic research group receives the full budget: 66% of which will be provided by the Technological Infrastructure Division and the rest by the partner company.
- ▶ The grant recipients are exempt from paying royalties for repayment of grant funds transferred to them.

Why should you apply for this incentive program?

Commercialization of academic knowledge: The incentive program assists research institutions in commercializing the knowledge developed through scientific research, while industrial companies receive exposure to new technology. After examining this technology, they can integrate it in their activities and continue to develop innovative products with economic potential or upgrade existing products.

Examination of application potential: The MAGNETON incentive program offers companies a favorable environment to examine the application potential of technologies developed in academic institutions. Without this environment, the companies would find it difficult to carry out the examination process, which entails relatively high risk and uncertainty.

Possibility of realization of the commercialization right: At the end of the project and at the end of the proof of concept, the company will be given the right to decide whether to exercise commercialization rights. If it chooses to do so, it can continue developing commercial products independent of the research that was carried out jointly with the research institution.

How to apply?

- ▶ Prior to application, please carefully read the complete list of conditions, which specify the rights and obligations of the applying company and research institution, as detailed on the Authority's website.
- ▶ After the research group and the industrial company join forces, a joint and coordinated work plan should be formulated, defining the tasks of each partner and detailing the mutual goal. The application for the support by the Authority will be submitted by the research institutions and industrial companies together and in full coordination.
- ▶ Fill out the application forms and documents, available on the Authority's website, and email the source files (not scanned files) to the Technological Infrastructure Division.
- ▶ The incentive program offers two fixed annual deadlines: October 15 and April 15.

For additional information please contact:

Technological Infrastructure Division
Email: TI@innovationisrael.org.il
Further information on the Israel Innovation Authority website: MAGNETON Incentive Program

NOFAR Incentive Program

The NOFAR incentive program provides support for applied research in academia, thus potentially increasing its economic contribution to the economy. This incentive program focuses on technologically feasible ideas, which are not mature enough for the support of the MAGNETON incentive program, but require financing in the initial applied research stage at universities in order to match them with the appropriate industrial sector. The NOFAR incentive program is limited to the fields of biotechnology and nanotechnology only, for a period of one year.

Goal of the incentive program:

To bridge the gap between academic knowledge and industry needs. All the research activities carried out as part of this incentive program are in academic institutions, accompanied by the support of an industrial company that sees business potential in the achievements of the project. The main goal is to reach significant milestones by the end of the project, which will enable the industrial company to sign

a technology commercialization agreement with the research institution. The research activities in the incentive program will receive professional support by an industrial company or a relevant business entity (such as a venture capital fund).

Who is the incentive program for?

- ▶ Academic research groups in Israel, operating as part of a higher education or research institution, seeking to carry out applied research, which is not mature enough to be supported by the industry or by the MAGNETON incentive program.
- ▶ The research should include a new and original idea that requires proof of concept, with preliminary basic research and results that are applicable to Israeli industry.

What do you get?

- ▶ The research institution supported by the NOFAR incentive program is entitled to a grant of up to 90% of the approved budget with a maximum scope of NIS 550,000 for a period of 12 months, with an option to extend the support up to 15 months.
- ▶ The supporting company serves as partner in professional guidance and in setting of research goals, as well as participates in the funding of 10% of the project cost.
- ▶ At the end of the research, the supporting company receives the first right to negotiate a commercialization agreement with the research institution.
- ▶ NOFAR research conducted in collaboration with two different institutions is eligible for funding of up to NIS 660,000.
- ▶ The grant recipients are exempt from repayment of royalties.
- ▶ The incentive program offers two fixed annual deadlines: November 30 and May 31.

Why should you apply for this incentive program?

Research institutions:

- ⌘ The incentive program provides financial and professional support of research processes and increases the chances for success.
- ⌘ All the rights to the knowledge accumulated in the research are retained by the research institution.

Commercial company:

- ⌘ The ability to influence, direct and support high-quality academic research that will contribute to the company's future activities.
- ⌘ The first right to negotiate commercialization of research results with the research institution.
- ⌘ Commercial development in exchange for a minimal financial investment.

How to apply?

- ▶ Prior to application, please carefully read the complete list of conditions, which specifies the rights and obligations of the applying company and research institution, as detailed on the Authority's website.
- ▶ Commercial companies interested in cooperation with a research group as part of the NOFAR incentive program should apply directly to the academic application company representing the research group.
- ▶ The academic applicant will submit the application forms to the Technological Infrastructure Division in accordance with the procedures detailed on the Authority's website.

For additional information please contact:

Technological Infrastructure Division
Email: TI@innovationisrael.org.il
Further information on the Israel Innovation Authority website: NOFAR Incentive Program

Biotechnology – TZATAM Incentive Program

The TZATAM incentive program (Life Sciences R&D Supporting Equipment) offers financial support to organizations that focus on providing services to other companies for the purpose of research and development processes in the life sciences field.

Goal of the incentive program:

To expand the infrastructure used for industrial R&D in life sciences in Israel and to provide Israeli entities with access to R&D services that were unavailable in the country until recently. The grant is provided for the purchase of advanced laboratory equipment, and its main purpose is to strengthen and expand R&D capacities in the field of life sciences, necessary for controlled feasibility assessment of scientific and technological findings, as well as receipt of regulatory approvals for clinical trials.

Who is the incentive program for?

- › Business entities whose activity is based on providing services to R&D processes in the life sciences field, particularly in the areas of stem cell research and biomedical research.
- › Entities interested in financial support to expand their existing services by purchasing laboratory equipment for research in the field of life sciences.

What do you get?

- › A grant of 50% of the approved budget for the purchase of laboratory equipment for the purposes of service, R&D.
- › The grant recipients are exempt from paying royalties to the Authority.
- › Incentive program conditions:
 - › The application should include details of the research equipment or laboratory equipment, the cost of which is at least USD 150,000.
 - › The grant recipients must deliver an annual report to the incentive program administration, regarding all the services provided using the equipment purchased with the grant money.
 - › Participation in financing of personnel training for the use of new equipment only, as the training period will not exceed three months and will be limited for a period until the beginning of the service provision.
 - › The grant recipients will undertake to provide impartial service to all Israeli organizations engaged in R&D in life sciences for a period of at least three years, which will start five months from receiving approval.
 - › The tariffs for the provision of the service will be governed by a committee of the incentive program administration.

Why should you apply for this incentive program?

Financial grant: Organizations that participate in this incentive program enjoy financial support that allows them to significantly expand the type and level of service they can offer.

How to apply?

- › Prior to application, please carefully read the complete list of conditions, as detailed on the Authority's website.
- › Fill out the relevant forms available on the website and email them to the Technological Infrastructure Division. In addition, print and send these forms by mail.

For additional information please contact:

Technological Infrastructure Division
 Email: TI@innovationisrael.org.il
 Further information on the Israel Innovation Authority website: Biotechnology – TZATAM Incentive Program

The Advanced Technologies Users' Association

This incentive program allows joint activity of a group of industrial corporations as part of the Advanced Technologies Users' Association. The main idea of the incentive program is based on the notion that "the whole is greater than the sum of its parts." In other words, through cooperation the companies learn from the experience of each other, thus increasing their knowledge and skills.

Goal of the incentive program:

Distribution, implementation, and demonstration of technologies or sharing resources in a way that contributes to R&D in the fields of practice of the companies.

Who is the incentive program for?

- › Companies engaged in R&D and interested in collaboration in the distribution and implementation of new technologies.

What do you get?

- › The Association, as a legal entity, receives a grant of up to 66% of the approved expenses. The members of the Association complete this sum to 100% of the Association's expenses. Companies do not receive any grants as part of this incentive program.

Why should you apply for this incentive program?

Cost-effectiveness: This is the most active incentive program. For a minimal budget worth one or two trips to conferences abroad, companies can be exposed to a wealth of available technology.

How to apply?

- › Following coordination with the Head of the Division, a group of companies wishing to cooperate is organized. These companies submit a proper request for support to the Head of the Technological Infrastructure Division.
- › The rest of the organizational process is similar to the MAGNET Consortiums incentive program.

For additional information please contact:

Technological Infrastructure Division
 Email: TI@innovationisrael.org.il

Biotechnology – MIDGAM Bank (Tissue Bank)

MIDGAM is an organized collection of human biological material, stored for medical or biological research purposes and operated under the supervision of the Ministry of Health.

Goal of the incentive program:

The tissue bank provides researchers and developers with access to high-quality specimens and available data, thus allowing them to achieve new medical discoveries quicker. The recognition of the importance of such a repository for the advancement of medical innovation has led the Authority, together with the Council for Higher Education, the Ministry of Science and the Ministry of Finance, to allocate NIS 35 million for the establishment of the incentive program and the operation of the MIDGAM tissue bank.

Who is the incentive program for?

- › R&D professionals in the industry
- › Researchers in academia and hospitals that require tissue for the purpose of their studies

What do you get?

- › The incentive program provides biological material that can serve a variety of purposes in academic research, clinical research and industrial development at a subsidized and affordable cost.

Why should you apply for this incentive program?

Medical record: Contacting MIDGAM is the only way to get the tissues needed for R&D with appropriate medical documentation.

How to apply?

- › Contact the Technological Infrastructure Division administration via email.

For additional information please contact:

Technological Infrastructure Division
Email: TI@innovationisrael.org.il
Further information on the Israel Innovation Authority website:
Biotechnology – MIDGAM Tissue Bank

Industrial Research Institutes

This incentive program assists and supports research institutes conducting applied research promoting industry in Israel. The support is provided via two incentive programs: the financial support program for R&D processes in cooperation with an industrial company, and the assistance program for the purchase of laboratory and scientific equipment. Interested parties may apply to both programs simultaneously.

Goal of the incentive program:

To provide assistance and support to research institutes that conduct applied research whose goal is the further development of Israeli industry.

Who is the incentive program for?

- › Research institutes operating as independent legal entities engaged in applied R&D and providing counseling and testing services for Israeli industrial corporations. The complete list of conditions and criteria is detailed on the Authority's website.
- › Commercial companies interested in collaboration with research institutes.

What do you get?

- › Grant funds are to be used for the financing of the R&D incentive program and/or the equipment purchase incentive program. The benefit will be provided for a period of one year, with the possibility to apply for support for an additional year.
- › The research institutes committee can approve a grant request for a third year for the incentive program relevant to the industry sectors declared as prioritized.

Why should you apply for this incentive program?

Participation in risks only: The incentive program offers research institutes participation in the risks involved in the R&D processes, but not in the future revenues from the research results.

No royalties: The beneficiary research institute will be exempt from repayment of royalties.

How to apply?

- › Fill out the online application forms available on the website, according to company size and terms set out therein.
- › In addition to the submission of the online application, a declaration and authorization form should be printed out, signed and sent by mail.

For additional information please contact:

Technological Infrastructure Division
Email: TI@innovationisrael.org.il
Further information on the Israel Innovation Authority website: Industrial Research Institutes

KAMIN – Promoting Applied Research in Academia

The KAMIN incentive program serves as a bridge between basic and applied research and is focused on the stage of transformation and realization of basic research achievements into technologies with commercial application.

Goal of the incentive program:

To encourage applied research in academia that can attract the investment interests of business entities willing to cooperate with the research institution towards a commercialization agreement.

Who is the incentive program for?

- Research groups from Israeli universities, colleges, research institutes and medical centers that seek to conduct applied research, building upon the basic research. The research must be innovative and original in terms of industrial application; its results should be applicable to industries in Israel and potentially have high added value for the entire economy.

What do you get?

- Conditional grant of 85%-90% of the approved budget, up to a maximum amount of NIS 400,000.
- The support is provided for a period of one or two years, with the possibility to extend this period in exceptional cases with a reduced grant of 66% of the approved budget.
- The grant recipients are exempt from repayment of royalties.

Why should you apply for this incentive program?

Financial and professional support: The incentive program offers financial and professional support of the research processes, thus increasing the chance of success of the applied research.

Product development following research achievements: The incentive program increases the chances of bringing the research to the phase of commercial feasibility, and promotes cooperation between the research institute and an industrial company in order to commercialize the achievements of the R&D of a product.

Rights to research knowledge: The rights to the knowledge gained during the research belong exclusively to the research institute applying for the grant.

How to apply?

- Prior to application, please carefully read the complete list of conditions, which specify the rights and obligations of the research institution, as detailed on the Authority's website.
- The application should be submitted by the entity representing the research institution and signed by the authorized signatories on its behalf.
- The application forms are available on the Authority's website, and they should be submitted as a single unit that includes all the relevant projects at once, with the addition of all the required accompanying documents.
- The incentive program offers two fixed annual deadlines: September 22 and March 22.

For additional information please contact:

Technological Infrastructure Division
Email: TI@innovationisrael.org.il

Further information on the Israel Innovation Authority website: KAMIN Incentive Program

MEIMAD – Leveraging Military, Defense and Commercial R&D for Dual Use Technologies

Operating since 2012, MEIMAD is a joint venture of the Authority, Ministry of Finance and the Administration for the Development of Weapons and Technological Infrastructure of the Ministry of Defense. This incentive program supports the development of creative solutions for military and commercial markets.

Goal of the incentive program:

To promote military/defense and commercial R&D of dual use technologies, which on the one hand constitute a contribution to national security, and on the other hand possess financial potential.

Who is the incentive program for?

- Israeli small and medium companies (up to USD 50 million in sales per year)
- University research institutes and research centers

What do you get?

- A grant of 50-90% in accordance with the type and nature of the activity.

Why should you apply for this incentive program?

Leveraging of capabilities: The R&D activities in this incentive program provide an opportunity to transfer military capabilities to the civilian market and vice versa.

How to apply?

- Please submit the forms specific to the MEIMAD incentive program.
- The incentive program offers two fixed annual deadlines: October 20 and April 20.

For additional information please contact:

Technological Infrastructure Division
Email: TI@innovationisrael.org.il

Additional Initiatives and Incentive Programs

Israel's Membership in CERN

CERN (European Organization for Nuclear Research) is the largest particle accelerator in the world. In 2012, Israel was upgraded from associate member to full member in CERN, with an annual membership fee of 15 million Swiss francs, 17% of which is contributed by the Authority. Full membership entitles Israeli companies to participate in procurement tenders through the project.

NIBN – National Institute for Biotechnology in the Negev

The establishment of the National Institute of Biotechnology at Ben Gurion University is another step in promoting biotechnological research in Israel. This institute focuses on the development of technological and research infrastructure in the Negev region, in order to create and establish a vast technological base to serve Israeli industry in the long run.

In 2009, an official association agreement was signed between Ben Gurion University and the Government of Israel, which jointly established and funded the Institute. NIBN scientists are engaged in diverse research topics in the field of biotechnology.

International Collaboration Division

The International Collaboration Division is responsible for creating bridges to new international markets, building platforms for cooperation in innovative R&D, and attracting strategic foreign stakeholders to Israel, all while creating competitive advantages for the Israeli industry in the global market.

Operated by the Europe, Americas and Asia Pacific Desks, as well as the desk for multinational corporations, support for international cooperation projects is made possible through an array of bilateral cooperation agreements and bi-national funds, as well as through the EU Framework Programme for Research and Innovation.

Together with its counterpart organizations abroad, the division coordinates calls for proposals for funding and assists in matching partners in Israel and abroad for joint R&D projects and other business ties.

Target audiences:

- **Foreign clients:** R&D companies, multinational corporations, foreign investors, etc.
- **Israeli clients:** Israeli companies, as well as academia and research institutes that are looking for comprehensive assistance in penetrating foreign markets.
- **Foreign governments and foreign funding agencies** seeking to establish cooperation agreements with the Israeli government (on whose behalf the Authority operates).



International
Collaboration



International Collaboration Division Incentive Programs:

- **Bilateral Programs for Parallel Support**
- **Incentive Program for Adapting Products for Emerging Markets in India, China, Latin America and Africa**
- **Multinational Agreements: International Frameworks in Europe for R&D and Innovation Cooperation**
- **Horizon 2020**
- **R&D Cooperation with Multinational Corporations**
- **Bi-national Funds**
- **Incentive Program for the Encouragement of the Establishment of Project Centers of Multinational Companies in Israel**

Bilateral Programs for Parallel Support

The bilateral programs for parallel support of industrial R&D are based on government-to-government (G2G) international agreements and implementation agreements between government agencies and regional authorities that constitute a platform for promotion of technological innovation among industrial and research entities. The Authority operates these programs in collaboration with R&D and innovation funding bodies in leading countries, provinces and cities in the Asia-Pacific region, North and South America, and Europe.

Goal of the incentive program:

To promote international cooperation in R&D based on significant technological innovation, in order to increase competitiveness and the relative advantage of Israeli companies in the global market. In addition to providing a conditional grant that allows the sharing of the risk inherent in project funding, these programs also offer assistance in finding technology and business partners, as well as access to governmental support for the project.

Who are the programs for?

- ▶ Technological industrial companies from all industry sectors that wish to develop or upgrade the development of products, services or manufacturing processes with an industrial company from a foreign country.
- ▶ Israeli technology companies and start-ups seeking to create strategic alliances and partnerships with companies and organizations abroad, to expand their operations, gain access to innovative R&D infrastructure abroad (labs, simulators, etc.), locate additional sources of financing, break into new markets and benefit from the access to knowledge and technology existing overseas.

What do you get?

- ▶ Assistance in finding a foreign partner.
- ▶ Conditional grants of up to 50% of the approved budget of a R&D project, or in accordance with the financial incentive program relevant for a joint project.
- ▶ Depending on the nature of the R&D collaboration agreement between the two countries, the approval for cooperation can be provided without financial assistance (self-financing of the applicant company).

Terms of the programs:

- ▶ The support is provided subject to the provisions of the R&D Law applicable to the relevant incentive program, and in accordance with the various bilateral agreements. The criteria for submission of applications to the bilateral programs are detailed in specific calls for proposals, and in most cases include the following:
 - ⌘ The product, service or industrial process to be developed within the framework of cooperation should be innovative, suitable for commercialization in the target markets, and have added value for the Israeli economy and for the project partner.
 - ⌘ The partner companies must have the ability to implement the project and the R&D processes necessary for its completion, as well as the ability to fund their proportionate share in the process required for project realization.

- ⌘ Research institutes and academic entities are allowed to take part in the cooperation as subcontractors.
- ⌘ The partner companies must demonstrate that the cooperation between them is necessary for the development of a value-added technology, resulting from the transfer of knowledge between the companies, as well as from sharing of resources, infrastructure or commercial relationships, innovative application of existing technologies to new markets and more.
- ⌘ The partner companies will sign an agreement to regulate the rights to their intellectual property (IP) and ownership of new IP, which will be produced during the project and its commercialization. This agreement is to be subject to the R&D Law.

- ▶ Please carefully read the complete list of conditions, which specifies the rights and obligations of the companies, as detailed on the Authority's website.

How to apply?

- ▶ Please submit the application for support in accordance with the requirements detailed in the calls for proposals published on the Authority's website.
- ▶ The request for funding should be submitted in both countries, according to the documentation required by each of the funding agencies.
- ▶ The resolution of approval for the request for funding of the project is subject to the approval of the foreign funding entity, as part of a joint committee of the funding agencies or through another designated coordinating mechanism between the two sides.
- ▶ Following the approval stage, the project will be handled by the R&D Fund mechanism or by other funding programs on which it relies.
- ▶ For questions and inquiries about partnerships with specific countries, with which there is a bilateral agreement or other agreements for international cooperation, please visit the Authority's website to locate the appropriate contact person responsible for a specific geographic area.

For additional information please contact:

International Collaboration Division
 Email: IC@innovationisrael.org.il
 Further information on the Israel Innovation Authority website:
[Bilateral Programs for Parallel Support](#)



Multinational Agreements: International Frameworks in Europe for R&D and Innovation Cooperation

EU Framework Programs for Research and Innovation

The Framework Programs for Research and Innovation of the European Union are the world's largest platform for international R&D cooperation between entities from the realms of commerce, industry, academic research and public entities. These programs are renewed every few years. The current program "Horizon 2020" began in 2014 and will end in 2020. The multi-year budget of "Horizon 2020" stands at approximately 77 billion Euros, of which Israel will contribute about 1 billion Euros over the seven years of program operation. It provides direct funding for the establishment of a consortium between several partners for R&D and innovation activities in industry, academia, research institutes, public and private organizations, and others. In addition, the program operates two subprograms designed for a single applicant: ERC (European Research Council) for outstanding scientists in groundbreaking research; and SME Instrument for small and medium-size companies.

ISERD is the Israeli R&D Directorate responsible for the integration of Israel in the European Research Area (ERA). ISERD promotes Israeli participation in the European Framework Programs and supports the creation of partnerships between Israeli and European entities.

Goal of the incentive program:

To provide Israeli entities with an opportunity for strategic integration in R&D, innovation and marketing frameworks in Europe. The program expands the areas of activity of the participating entities and contributes to their positioning at the forefront of global technology.

Who is the program for?

- Any company or legal entity that would benefit from cooperation in European research and development. The program is suitable for companies, startups, corporations, academic and research institutions, government agencies, hospitals, municipalities, non-profit organizations and more.

What do you get?

- A grant to carry out the project, without giving up the rights to its intellectual property.
- A possibility to realize large scale and costly projects.
- Administrative support through the entire application process.
- Exemption from paying royalties as repayment for grant funds.
- Access to subsidized loans from the European Investment Bank (EIB).
- Access to knowledge generated by the project.
- Involvement in setting international standards.
- Dialogue with European R&D policy makers.
- Exposure to innovative technologies.
- Establishment and deepening of cooperation with EU research groups.
- Creation of a business network that extends access to European markets.
- Deepening of knowledge and business intelligence on customers, suppliers and competitors.
- Designated support program for small and medium-size enterprises.

How to apply?

- The application for participation in this program is carried out according to the requirements detailed in the calls for proposals published on the ISERD website. In most cases, submitting a proposal to finance research requires the establishment of a consortium.
- Application may be submitted following a publication of a call for proposals and until its closing date via an online application system of the European Union.
- After submitting the application, the proposals are examined by an international committee of experts in the field in question, appointed by the EU Commission.
- At the end of the evaluation process, a grant agreement is signed between all the members of the consortium and the EU Commission.

For additional information please contact:

ISERD: www.iserd.org.il



Programs Jointly Funded by “Horizon 2020” and the Authority

ECSEL: The Electronics Components and Systems for European Leadership program offers a partial financing of R&D activities in the fields of health, energy, transport, environment, manufacturing, cyber, and society, as well as systems in the fields of electronics components, nano-electronics, embedded systems, smart devices and more. The program incorporates joint funding from industry, the European Union (as part of the “Horizon 2020” program), national funds and supplementary funding of the applicants. Public funding is provided for research and innovation projects or the establishment of a manufacturing pilot as a consortium (of at least three countries), based on an accepted research proposal in the call for proposals that is published on a yearly basis. The consortiums in this program are relatively large (six partners and more) and the application is relatively complex, because two budgets are to be submitted (for the EU and for the National Funding) as part of the proposal for the EU.

EUREKA: This program is one of the largest industrial R&D cooperation programs in Europe, incorporating 40 member countries, including Israel and the European Union itself. The program promotes joint R&D and innovation projects with the assistance of national programs supporting R&D in the participating countries. As a result, the program offers access to all types of government funding in Europe that support industrial R&D, and serves as a platform for business exposure in the European market. The Authority is working to expand Israel's participation in the various frameworks of the program, which is intended for all entities entitled to the Authority's funding. The program aims to build international synergies and to promote international cooperation, to enable production in Israel or in the partnering country, and to allow entrepreneurs to penetrate target markets.

Eurostars: The Eurostars program offers financing for bi-national and multinational projects operated by the EUREKA network. The participating countries annually allocate funding for requests made under this program. The program focuses on SMEs: the main applicant must be a small or medium-sized company, and at least 50% of the budget request must be allocated for this company. Eurostars has two deadlines a year, usually in February-March and September. The examination of applications is carried out by a committee in Brussels, and the selected proposals are brought to the national financial authorities of the relevant countries.

For additional information, please visit: ISERD: www.iserd.org.il

Global Enterprise R&D Collaboration Program

Connecting foreign multinational corporations (MNCs) and innovative Israeli companies.

Goal of the incentive program:

To enable small and medium Israeli companies to establish relationships with MNCs and take part in their technological and marketing activities. Encourages networking and strategic cooperation between the two sides.

Who is the incentive program for?

- › Israeli technology companies, especially startups and young and innovative companies, engaged in R&D and interested in paving their way to new markets and business channels in Israel and abroad.
- › Multinational corporations from all sectors and countries with annual revenues of over USD 2 billion, with significant investment in R&D and with worldwide presence, that are interested in identifying relevant Israeli companies and working with them on joint R&D projects.

What do you get?

- › Israeli companies receive a conditional grant of 20%-50% of the development budget approved by the Research Committee of the Authority.
- › Israeli companies receive assistance and support from the MNC in the form of consulting, services and resources.
- › Israeli companies may keep their intellectual property (IP) or share the ownership of it with the MNC, or provide the MNC with a non-exclusive license to use the new knowledge through an agreement between the project partners.
- › The MNC receives services such as scouting for possible partners and IP rights in the new projects (see above). In addition, the MNC is informed of the due diligence results of the Israeli partner companies.

Incentive program conditions:

- › Company must finance 50% to 80% of the R&D budget.
- › The agreement signed between the parties to regulate the rights to the intellectual property will be subject to the R&D Law and the terms of the incentive program.
- › Please carefully read the complete list of conditions, which specify the rights and obligations of the applying companies, as detailed on the Authority's website.

How to apply?

- › Fill out the online application forms available on the website, according to the company size, the required budget and the instructions set out therein.
- › In addition to the submission of the online application, a declaration and authorization form should be printed out, signed and sent by mail.
- › MNCs that are conducting projects with Israeli companies under this framework should fill out a Statement of Assistance.

For additional information please contact:

International Collaboration Division
 Email: IC@innovationisrael.org.il
 Further information on the Israel Innovation Authority website:
[Global Enterprise Collaboration Program](#)

Bi-national Funds

The Israel Innovation Authority operates bi-national funds along with its counterparts in foreign countries, in accordance with the agreements signed between the Israeli government and the governments of the respective partner countries. Each country allocates dedicated funds to finance joint R&D projects between Israeli and foreign companies.

There are currently four bi-national funds:

- › BIRD – Israel-United States
- › CIIRDF – Israel-Canada
- › SIIRD – Israel-Singapore
- › KORIL – Israel-Korea

Goal of the incentive program:

To increase the competitiveness and relative advantage of Israeli companies in the global market, by encouraging cooperation between them and foreign companies, in addition to promotion and development of new and complementary technologies, and reduction of financial and technological risk exposure.

Who is the incentive program for?

- › Technology companies from all industrial sectors that seek to develop or upgrade innovative products or processes with an international partner.
- › Technology companies and start-ups seeking to create strategic alliances and joint ventures with suitable companies abroad, in order to expand their operations, find additional sources for R&D funding, break into new markets and benefit from the knowledge and technology available abroad.

What do you get?

- › Assistance in finding a partner.
- › Financial assistance of up to 50% of the approved budget for a R&D project.
- › One-stop-shop for ongoing support throughout the life of a collaboration project, from proposal preparation and submission, until end of final technological and fiscal reviews.

Incentive program conditions:

The support is provided in accordance with the procedures of various funds, including the following:

- › The product, service or process developed within the framework of cooperation must be innovative, made for civilian purposes, intended for commercialization, and have benefit for both economies – Israeli and the foreign country.
- › The partner companies must have the resources and R&D capabilities required to implement and complete the project, as well as the funds available to finance their proportionate share of the project.
- › Research institutes and academic entities are allowed to participate as subcontractors, but not as primary partners (except the SIIRD fund, where the Singaporean primary partner can be a research entity).

- › The partner companies must demonstrate that the intended cooperation is necessary for development of value-added technology, by sharing resources, infrastructures, commercial relationships, strategic innovation of proprietary technologies to new markets and more.
- › The partner companies are required to sign agreements in order to: 1) determine the rights to the intellectual property which will be jointly-developed during the project 2) the commercialization of the said project outcome.

For additional information please contact:

Detailed information regarding the respective funds, including partner search, instructions for application preparation and submission, as well as ongoing project procedures and regulations, is to be found on each respective fund website:

BIRD – www.birdf.com

CIIRDF – www.ciirdf.ca

SIIRD – www.siird.com

KORIL – www.koril.org



Incentive Program for Adapting Products for Emerging Markets in India, China, Latin America and Africa

This is a special incentive program developed to address the unique needs of Israeli companies seeking to expand their products and activities to emerging markets.

Goal of the incentive program:

This incentive program allows companies to adapt their products and services to specific target markets, in terms of changes in the structure, functionality, interface, or standards based on market needs in the target countries.

Who is the incentive program for?

- › Technology companies in all industrial sectors that are required to make engineering and technological changes to their products, in order to adapt them to the emerging markets of India, China, Latin America or Africa.

What do you get?

- › This incentive program offers support and financing of up to 50% of the expenses for companies that are required to adapt their products in accordance with the standards and needs of the target market.
- › The expenses in this incentive program include upgrading/changing of manufacturing processes, regulatory compliance, establishing of a beta site, utility patent and more.

Incentive program conditions:

- › The incentive program can be accessed with or without a foreign partner. You might consider integrating a local partner in the foreign market that can assist and increase the chances of commercialization in the target market.

How to apply?

- › To apply, please contact the appropriate desk of the International Collaboration Division.

For additional information please contact:

International Collaboration Division
Email: IC@innovationisrael.org.il

Incentive Program for the Encouragement of the Establishment of Project Centers of Multinational Companies in Israel

This incentive program aims to encourage multinational companies engaged in low-tech or medium-low tech industries to establish project centers in cooperation with an Israeli entity, focusing on creating R&D activity in the periphery and low-tech industries.

Goal of the incentive program:

The support provided under this program, as a government grant, is intended to encourage the establishment of project centers and their operation on an ongoing basis, and is not only for projects carried out within the framework of these centers.

Who is the incentive program for?

- › **Multinational companies** that meets both of the following conditions:
 - › The total sales volume of the company was more than \$2.5 billion in the calendar year prior to application.
 - › Industrial company engaged in low-tech or medium-low tech industry.
- › **Israeli partner** – an Israeli company or academic research group that is not related directly or indirectly to the multinational company.
- › **Project center** – an Israeli company fully owned by the multinational company and functioning as its representative in Israel.

What do you get?

A government grant in the minimum amount of the following three options:

- › 40% of the operating expenses of the project center.
- › 50% of the total investments in all the projects carried out with the Israeli partners.
- › The volume of investments in a project center in the periphery and in the low-tech industry, while applying a coefficient of 115% for incentive programs operating in Development Area A, and a coefficient of 85% for incentive programs operating in Development Area B.

Why should you apply for this incentive program?

Strategic partnerships: Large corporations and multinational companies possess distinct advantages in commercialization, manufacturing and marketing of products. This incentive program encourages networking and strategic partnerships between multinational companies and innovative Israeli technology companies, seeking to reach new markets and business channels in Israel and abroad.

Contribution to the fostering of the periphery: The companies participating in this incentive program constitute an economic engine and contribute to the fostering of innovation, as well as reduction of the gaps between the periphery and the center.

How to apply?

Companies interested in being recognized as project centers should submit their application to the incentive program manager. The application must include details regarding the following conditions:

- › The company's incorporation in Israel.
- › The company being wholly owned by the multinational company.
- › The company functions as the representative of the multinational company in Israel.
- › The multinational company should issue a statement that it plans to operate a project center in Israel for at least five years.
- › A statement of the company that it can carry out projects with other Israeli companies or academic institutions, while providing technological support, and will present the project to the multinational company.
- › The multi-annual plan relates to projects expected to be operated as part of the project center.
- › The company's obligation to act in accordance with the regulations of the Authority.
- › Details on the company's managers.

› For additional information please contact:

International Collaboration Division

Email: IC@innovationisrael.org.il

Further information on the Israel Innovation Authority website: Project Centers of Multinational Companies



United States - Israel Science & Technology Commission

The United States-Israel Science & Technology Commission operates through the Israel Innovation Authority and promotes joint activities in science and technology, in order to create mutual economic benefits for both countries. The Commission periodically defines priority fields for its activities, including biotechnology, telecommunications, information technology (especially software for medical use), nanotechnology, green technologies (renewable energy, water technology) and national security.

Advanced Manufacturing Division

The Advanced Manufacturing Division focuses on promoting the implementation of R&D and innovation processes in companies in the manufacturing sector, in order to strengthen their competitiveness in the global arena and improve productivity across a variety of industrial sectors. The incentive programs offered by this division boost manufacturing-oriented industries and encourage the owners of mainly small and medium-sized factories and plants to develop innovative products, technologies and manufacturing processes to realize these goals.

Target audiences:

- ▶ Israeli industrial enterprises whose main activity is in its essence manufacturing, and that operate in the low - and medium-low-technology sectors.
- ▶ Israeli industrial enterprises that have at least one active production line, as well as distinctive characteristics of a manufacturing-oriented industrial company – high rate of production operations, low rate of R&D activity, low level of R&D infrastructure, lack of significant intellectual property, etc.

Advanced Manufacturing Division Incentive Programs:

- ▶ Incentive Program for Encouraging Innovation in the Low-Technology Industry
- ▶ R&D Preparatory Incentive Program for Companies in the Low-Technology Industry



Advanced
Manufacturing



Incentive Program for Encouraging Innovation in the **Low-Technology Industry**

Sectors in low-tech industry struggle to cope with increasing global competition. To prevent stagnation and regression in the low-tech sectors, the Authority provides a variety of incentives designed especially to meet these sectors' needs and to encourage innovation in them.

Goal of the incentive program:

To encourage low-tech enterprises to promote and implement innovative technological processes, such as the development of innovative products, improvement of existing products and production processes, and more. In addition, this incentive program assists factories and plants in developing new strategies based on technological differentiation, in order to create competitive advantages in domestic and international markets.

Who is the incentive program for?

- › Israeli industry sectors engaged mainly in low-tech and medium-low tech, as defined by the Central Bureau of Statistics. These sectors include: plastics, rubber, metal, glass, ceramics, building materials, textiles, wood, leather, paper, jewelry and food.
- › Companies that wish to determine whether their activities qualify for participation in this incentive program can apply to the Authority, requesting it to carry out a preliminary examination regarding their affiliation to the low-tech industry.

What do you get?

- › Companies in this incentive program can submit applications for participation in R&D programs throughout the year.
- › Recognition of the following unique expenses (in addition to expenses that are recognized for all companies):
 - › Expenses for the development of molds that will be incorporated into the production line of the company with an overall budget up to NIS 500,000.
 - › Expenses for the acquisition of knowledge that constitutes an integral part of the R&D program with an overall budget up to NIS 250,000.
 - › Expenses for salaries of up to three employees at a rate of less than 10%.
 - › Expenses for training courses and advanced studies for professional employees in the fields supported as part of this incentive program, with an overall budget up to NIS 25,000.
 - › Direct expenses for the development of unique production machinery.
 - › Expenses for marketing and commercialization activities of the incentive program products abroad, amounting to 10% of the of the approved plan budget.
 - › Recognition of the amortization of expensive machinery, the use of which is necessary for research purposes.

Why should you apply for this incentive program?

Favorable and customized terms: This incentive program offers all low-tech enterprises preferential terms adjusted to their needs, in order to implement development programs for future products and innovative technologies that will provide the companies with a competitive edge and allow them to penetrate new markets.

Benefits to companies that manufacture in Israel just starting R&D activities: This incentive program offers particularly beneficial conditions and exemption from paying royalties to companies that are at the beginning of their R&D activities and manufacture their products in Israel, in order to facilitate strategic decision-making to enter into and carry out an R&D program (subject to the approval of the Authority Council).

How to apply?

- › Prior to application, please carefully read the complete list of conditions, as detailed on the Authority's website.
- › Fill out the online application forms designated for the companies engaged in the low-tech sectors, and attach the relevant documents, according to the company size and the budget requested.
- › Shortened application process: companies engaged in the low-tech sectors in Israel, which are at the beginning of their R&D activities, can submit their application through an expedited process, in accordance with the conditions specified on the Authority's website. The shortened application process aims to make it easier for these companies, which seek support for the first time, and to assist them in applying for this incentive program.

For additional information please contact:

Advanced Manufacturing Division

Email: AM@innovationisrael.org.il

Further information on the Israel Innovation Authority website: [Incentive Program for Encouraging Innovation in the Low-Technology Industry](https://www.innovationisrael.org.il)

R&D Preparatory Incentive Program for Companies in the Low-Technology Industry

A preparatory incentive program is a complementary tool operated by the Authority in order to assist low-tech industry companies that are not experienced in carrying out R&D activities and innovation processes, or companies that require focus and guidance with their R&D activities. As part of the incentive program, the participating companies get partial funding for their counseling expenses, including mapping and examination of existing technological capabilities, formulation of future goals, examination of technological gaps, and guidance for improving their capabilities through the implementation of technology and more advanced products.

The work process in the preparatory incentive program includes two phases:

Phase I – Examination of the capabilities and the existing products in the company, brainstorming with company staff, identification of possible development directions, gathering of technological and marketing information and concentrating on the relevant products in light of the information gathered, and preparation of an interim report as a technological roadmap.

Phase II – Technological and business feasibility study of recommended directions, and concentrating on the selected direction, while examining the necessary resources and activities required for closing of the technological gaps versus the expected business benefits; preparation of a summary report.

Goal of the incentive program:

To create a corporate culture change in the low-tech industry sectors including instilling values and working methods for continuous R&D and innovation derived from market needs. This incentive program will increase the competitiveness of the participating companies through implementing R&D processes and adopting new technologies.

Who is the incentive program for?

- › Companies in low-tech industrial sectors that seek consultation and guidance in their first R&D steps or companies whose R&D capabilities require guidance and upgrade. Applicant companies select a consultant from either the Authority's pool of consultants or an independent consultant approved by the steering committee of the incentive program.

What do you get?

- › The contract will be carried out between the Authority and the applicant company.
- › The Authority will fund 75% of the consultancy fee and the company will fund 25% of this fee.
- › The hourly consulting rate limit is NIS 200 per hour. The company will receive funding of up to 200 hours.
- › As for the financing of the market survey, patent survey or technology survey – the Authority will fund 75% of the actual cost up to NIS 12,000 plus VAT.

Why should you apply for this incentive program?

- › Consultation and guidance: Companies applying for the R&D preparatory incentive program will receive professional consultation to support them in identifying gaps in their current capabilities, as well as assistance in mapping directions for development and preparing for implementation of the R&D plan.

How to apply?

- › The application for participation in this incentive program should be submitted to the Steering Committee with its prior approval, in accordance with procedures published on the Authority's website.

For additional information please contact:

Advanced Manufacturing Division

Email: AM@innovationisrael.org.il

Further information on the Israel Innovation Authority website: R&D Preparatory Incentive for Companies in the Low-Technology Industry

Societal Challenges Division

The Societal Challenges Division focuses on improving the effectiveness and quality of public sector services, as well as on enhancing social welfare and quality of life through technological innovation. The purpose of this division is to harness the hi-tech industry to find solutions for a variety of substantial problems in society and the public sector in Israel and to raise awareness of the special needs of the disabled population in areas such as health, security and food, which require technological solutions. This division's role is to identify these needs at the national level and to mediate between them and the Israeli entrepreneurial community by encouraging and creating demand for technological solutions. The division operates according to the double bottom line principle and takes into account the social profit generated by the project, along with its economic value.

In addition, the Division deals with a major social challenge – the diversity of workers employed in the hi-tech industry in general, and the integration of ultra-Orthodox and Arab employees in hi-tech in particular.

Target audiences:

- Companies and non-profit organizations interested in developing technological solutions for populations with special needs.
- Entrepreneurs interested in developing innovative products and services that will address public sector challenges.



Societal Challenges Division Incentive programs:

- Support in Research and Development of Assistive Technology for the Disabled
- GCI – Grand Challenges Israel Incentive program
- Technological Innovation in Industry Focused on Public Sector Challenges



Support in R&D of Assistive Technology for the Disabled

This incentive program encourages R&D of unique technological solutions for people with special needs, in order to improve their quality of life and better integrate them into society, the community, and the labor market. These developments benefit people with special needs, making them net contributors to society and the state.

Goal of the incentive program:

To support the development of technological solutions designed to ease the lives of people with special needs and to help them integrate into society and the labor market.

Who is the incentive program for?

- › Israeli companies and nonprofit organizations interested in developing technologies that serve groups with physical, mental or cognitive disabilities, who collectively represent 0.25% -5% of the population.

What do you get?

- › Nonprofits receive support of 85% of the approved expenses for R&D, with no repayment of royalties.
- › Commercial companies receive support of 65% of the approved budget as a conditional grant.
- › The conditional grant is provided for a period of up to two years, up to a total of NIS 600,000 a year.

Why should you apply for this incentive program?

- › Support at a higher rate than usual: R&D projects in this incentive program are supported by the Authority at a higher rate than usual.
- › Exemption from royalty repayment for NGOs: Nonprofit organizations are exempt from paying royalties to the Authority, as usually set in most of the incentive programs it offers.

How to apply?

- › Prior to application for support, please carefully read the complete list of conditions, as detailed on the Authority's website.
- › Fill out the online forms available on the website and submit them together with the required documents.
- › In addition, print and sign the declaration and authorization form and send by mail.

For additional information please contact:

Societal Challenges Division
 Email: SC@innovationisrael.org.il
 Further information on the Israel Innovation Authority website: Support in Research and Development of Assistive Technology for the Disabled

GCI – Grand Challenges Israel Incentive Program

The Grand Challenges Israel incentive program operates as part of the Grand Challenges in Global Health international initiative. The incentive program is also partnered by Israel's Agency for International Development Cooperation (MASHAV) and the National Economic Council of the Prime Minister's Office. The program supports R&D focused on the humanitarian health challenges that exist in developing countries, with products that also have commercial potential in developed countries. The participation in this incentive program combines charitable acts and services with new business opportunities and the chance to solve global challenges.

Goal of the incentive program:

The emphasis in this incentive program is on the support of projects that are characterized by technological innovation in the global health field. Due to the complexity of conducting business in developing countries, the Authority and MASHAV will assist the entrepreneurs interested in identifying suitable partners to develop and commercialize their project in the target countries.

Who is the incentive program for?

- › The incentive program is suitable for companies and entrepreneurs in the areas of health, security, and food, as well as entrepreneurs targeting markets in developing countries.

What do you get?

- › Support of 90% of the approved budget, up to NIS 500,000.

Why should you apply for this incentive program?

Attractive conditions: Financing of up to 90% of the budget gives the project an initial push. In addition, the incentive program offers an exemption from the repayment of royalties on the revenues received.

Exposure to new markets and potential partners: This incentive program creates bridges between entrepreneurs and potential partners in target markets, in part thanks to the global partners of the Grand Challenges in Global Health initiative: the aid agencies of the United States and Britain, philanthropic foundations, research institutes, and others.

How to apply?

- › Prior to application, please carefully read the complete list of conditions, as detailed on the Authority's and the program's websites.
- › For further questions and potential participation, submit a request by email.

For additional information please contact:

Societal Challenges Division
 Email: SC@innovationisrael.org.il
 Further information on the Israel Innovation Authority website: GCI Incentive Program

Technological Innovation in Industry Focused on Public Sector Challenges

This incentive program was launched by the Authority as part of the “Digital Israel” project of the Ministry for Social Equality. The incentive program serves as an additional tool of the government to encourage innovation through preliminary purchase of innovative technological solutions.

The incentive program offers two channels of support:

1. Preliminary R&D incentive program intended for technological feasibility and/or feasibility of the business idea for the development of a product/service/process or a material improvement of an existing product/service/process.
2. “Innovation in the public sector” R&D incentive program intended for R&D of a product/service/process or a material improvement of an existing product/service/process.

Goal of the incentive program:

To identify and publish public challenges requiring response and support, as well as to assist entrepreneurs in developing innovative products and processes that will address the challenges and needs of the public sector. These products should improve the quality of services provided by government departments or public entities, including better access to public services, reduction of government bureaucracy, better protection of public information, and easier access to information for the public.

Who is the incentive program for?

- Israeli companies or private Israeli entrepreneurs seeking to develop, manufacture, and commercialize products, services, and processes that will support the goals of this incentive program. Applications to join the incentive program will be examined according to the technological innovation criteria and the response to the needs defined as prioritized by the Digital Israel Fund.

What do you get?

- **Preliminary R&D track:** Financial support of up to 90% of the approved budget or a conditional grant in the amount of NIS 300,000 for a period of 18 months.
- **R&D track:** Financial support of up to 50% of the approved budget or a conditional grant in the amount of NIS 4 million for a period of 24 months.

Why should you apply for this incentive program?

Attractive financing model: The incentive program offers participation in the risks involved in the development process, but not in the revenues or future achievements. The companies that receive financing undertake to repay the received funding to the Authority via royalty payments from sales, but only if the project succeeds in reaching the commercialization stage.

No royalties: Sales to the state, government companies, and public corporations in Israel are exempt from paying royalties.

First significant customer: The government may allow a “field trial” on a large scale and based on national infrastructure. Success in proving the feasibility and selling to a government customer provides a springboard to other markets in Israel and the world.

How to apply?

- Prior to application, please carefully read the complete list of incentive program conditions, as detailed on the Authority's website.
- Fill out the online application forms in accordance with the company size and guidelines detailed on the website. In addition to the online application, please fill out the declaration and authorization form and send it by mail.

For additional information please contact:

Societal Challenges Division

Email: SC@innovationisrael.org.il

Further information on the Israel Innovation Authority website: [Technological Innovation in the Industry Focused on the Public Sector Challenges](#)



General Initiatives and Programs

Tax Benefits for Companies and Investors

The Israel Innovation Authority is responsible for granting a variety of certifications to companies that it supports, which are engaged in R&D and operate in Israel. These certifications allow the companies to receive government incentives or general benefits, including: income tax relief, tax benefits under the Angels Law, special permits for issuance of shares on the stock exchange, certification for receiving a grant from the Jerusalem Development Authority, and more.

Encouraging Hi-Tech Companies to Go Public on the Israeli Stock Exchange

The Israel Innovation Authority is working in cooperation with the Tel Aviv Stock Exchange (TASE) to encourage R&D-intensive companies to go public in Israel. TASE offers easy registration for R&D-intensive companies that were approved by the Authority and meet the criteria set by the Stock Exchange.

In late 2015, the Israel Innovation Authority, the Israel Securities Authority, and TASE launched a project which included economic surveys carried out by an external research firm that performs research for corporations traded on the Stock Exchange in the technology, biomedical and other sectors. The incentive program's purpose is to assist in providing access to information about the technological corporations traded in Israel.

The Israel Brain Gain Program – Bringing Knowledge Back to Academia and Industry

In June 2013, following a governmental decision, the Israel Brain Gain Program was launched in order to assist Israeli scholars and professionals throughout the entire process of returning to Israel. The program was created out of a broader perspective of the overall needs of the Israeli economy, which requires hi-tech personnel, managers, engineers, scientists, researchers and doctors, who have accumulated knowledge, education and valuable experience overseas. This program is suitable for any Israeli living abroad, providing they hold a Bachelor's degree or above and can integrate into Israeli academia or industry. The program is also intended for employers in Israeli industry who are interested in hiring high-quality staff with international experience.

The program assists academicians and professionals that wish to return to Israel, in several primary areas:

- › Assistance in finding a job in industry or academia.
- › Assistance for the whole family throughout the entire process of returning to Israel.
- › Personal attention and direct answers through a personal coordinator, providing individual support for each professional who expresses a desire to return to Israel.
- › Fast track service via email in collaboration with the National Insurance Institute (Bituach Leumi).
- › A scholarship program for support in flight ticket costs for job interviews in Israel.
- › Preparatory workshops about the difficulties of integration of the entire family, career development and integration in the Israeli economy.
- › Mentors program for support and guidance through the process of returning to Israel.

The program is also engaged in:

- › Maintaining contact with Israeli academicians who reside abroad.
- › Research and policy formation.
- › Initiation of designated programs to remove barriers, facilitate the return process, and implement the government policy in the area of brain gain and brain drain.

For additional information please contact:

The Israel Brain Gain Program website: www.israel-braingain.org.il
Email: info@israel-braingain.org.il



We are at
your service



Startup Division
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Growth Division
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Technological Infrastructure Division
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International Collaboration Division
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Advanced Manufacturing Division
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Societal Challenges Division
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Stages of the Application Process

1 Applying for support in R&D

Once the company has selected the program best suited to its needs, it should prepare the relevant application forms, which are periodically updated and cover all aspects of the program. Companies should submit their application for support in R&D using only the relevant forms, in line with the given instructions.

Responsible party: The applicant company

2 Receiving applications and appointing the Head of Sector

At this stage, the Application Submission Department at the Innovation Authority will receive all submitted applications and assign them to the appropriate Head of Sector.

Responsible party: Application Submission Department

3 Appointment of a professional evaluator

The Head of Sector recommends the appointment of a professional evaluator, appropriate for the submitted application, and checks his availability. The company then receives a letter from the Authority indicating the name of the professional evaluator.

Responsible party: Head of Sector

4 Application evaluation and submission of review

The application evaluation is carried out by the Head of Sector and the professional evaluator. The process includes a review of the original application materials, meeting the company representatives for clarification, getting updates and supplementary information from the company (if necessary), and finally the preparation of a structured review by the evaluator and its transfer to the Head of Sector.

Responsible party: Professional evaluator

5 Financial inspection (optional)

In parallel to the professional evaluation, sometimes a financial inspection of the company takes place. This inspection is carried out when the company is submitting an application for the first time. In this case the company also undergoes a guidance process regarding how to report and track work hours. An accountant of the Authority will contact the company within a few days.

As for the companies that have already submitted applications in the past, such inspection is carried out only if necessary. The financial inspection is conducted by an accountant of the Authority, and its purpose is to make sure that the company is governed by state laws and regulations and to check its financial status.

Responsible party: Application Submission Department

6 Examination of the review and recommendation

During this stage the Head of Sector examines the review transferred to him by the professional evaluator and adds his opinion as well. When finished, the Head of Sector sends the finalized review to the Research Committee coordinator in the relevant division.

Responsible party: Head of Sector

7 Comments and recommendations for the review by the internal parties

During this stage, additional parties in the Authority (legal advisor, compensation fund, etc.) examine the company and its application and add their opinion for the hearing of the Research Committee. The Research Committee coordinator sets the date on which the Committee will discuss the application.

Responsible party: Research Committee coordinator in the relevant division

8 Discussion and decision on approval or rejection of the application

During this stage the application (the case) is discussed by the Research Committee of the relevant division. The application and its review are presented before the Committee by the Head of Sector and the professional evaluator. The Committee decides whether to approve funding, as well as the scope of the approved R&D budget support, the percentage of the funding and the additional conditions in accordance with the incentive program and subject of the application.

Responsible party: Head of the Division to which the incentive program belongs

9 Notification to the company of the Committee's decision

After signing of the protocol of the Research Committee hearing, a notification is sent to the company, detailing the Committee's decision in the case.

Responsible party: Research Committee coordinator in the relevant division

10 Preparation of documents for the initiation of the project

During this stage the Authority prepares the documents required for the activation of the project and sends them to company.

Responsible party: Research Committee coordinator in the relevant division

11 Signing of documents and compliance with the terms and conditions

The company signs the documents; this signature is crucial to enable the activation of the case and allow the transfer of funds to the company in accordance with the Committee's decision.

Responsible party: The applicant company

12 Signing of the Letter of Approval

During this stage, the final approval to activate the case is carried out by the Authority.

Responsible party: Chief Operating Officer of the Authority

13 Payment of an advance according to the periodic report

If the Committee's decision includes the provision of an advance in the case – this is the stage when the down payment is transferred to the company. Henceforth the company should conduct ongoing activities of expense reports, payments from the Authority to the company, etc.

Responsible party: Finance department and accountant

