



Endless Possibilities to Promote Innovation



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רשות החדשנות
Israel Innovation
Authority

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Additional information is available on the Israel Innovation Authority

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The information is updated on an ongoing basis on the Innovation Authority's website



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 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 each company's specific stage of development and needs. These include 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 manufacturing companies seeking to incorporate innovative and advanced technologies 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 secure private investment.

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.

This brochure is designed to serve as a guide to help you understand and navigate the 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.

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Israel Innovation Authority

The Israel Innovation Authority, in charge of planning and executing 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 such, the Israel Innovation Authority advises the government and Parliament ("Knesset") Committees regarding innovation 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.

The Authority's Strategic Goals and Objectives:

Ensuring the sustainable technological leadership of Israeli industry:

- Promote cutting edge technological projects
- Help promising startups to achieve a fundable milestone
- Increase connectivity in knowledge ecosystems
- Increase the supply of skilled human capital for the hi-tech industry

Increasing the economic impact of knowledge-intensive companies:

- Encourage the growth of complete and global Israeli companies
- Increase the economic impact on the Israeli economy of multinational companies operating in Israel

Encouraging technological innovation to strengthen the productivity of the private sector:

- Promote R&D in manufacturing industries
- Leverage Israeli technological capabilities to advance innovation in the entire private sector

Promoting technological innovation with social and economic return:

- Link the knowledge-intensive industry to social and public challenges
- Promote technological innovation in Israel's peripheral regions for better use of the innovation resources and for increasing regional productivity

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.

For the benefit of the hi-tech industry's entrepreneurs and professionals: The Innovation Authority has created and established an array of active Innovation Divisions that are focused on providing optimal solutions for changing needs. This sophisticated structure offers a comprehensive response to the needs of Israel's innovation ecosystem.

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

Over the years, the State of Israel has supported the development of a thriving innovative ecosystem by encouraging industrial R&D via a variety of means. The government innovation policy has led to many achievements and today is a leading center of innovation, proud of its exceptional entrepreneurial spirit, extensive investment in corporate R&D, advanced scientific research and developed venture capital environment. The Innovation Authority follows the development of Israel's innovation ecosystem and updates its policy and supportive tools accordingly. The Authority's Strategy and Economy Division provides ongoing support to these processes via research, planning, evaluation and budget supervision.



The Programs and Sub-Programs offered by the 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, in order to reach a significant fundable milestone. The Division thereby strengthens Israel's position as a vibrant center of international entrepreneurship.

Target Audiences:

- Entrepreneurs with an innovative technological idea
- Startup Companies

Startup Division Incentive Programs:

- Ideation (Tnufa) Incentive Program
- Technological Innovation Labs Incentive Program
- Incubators Incentive Program
- Early-Stage Incentive Program
- Renewable Energy Technology Center - Cleantech

For additional
information please
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Startup Division
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Ideation (Tnufa) Incentive Program

The Ideation (Tnufa) incentive program is designed for fledgling entrepreneurs to assist them develop and validate innovative technological concepts.

Goal of the incentive program:

Support entrepreneurs in proof of concept and business feasibility of early stage projects.

Who is the incentive program for?

- › Entrepreneurs
- › New Israeli startup companies

What do you get?

- › Entrepreneurs and new Israeli startup companies can receive a conditional grant of up to NIS 200,000 over a period of two years: NIS 100,000 awarded each year (85% of the approved budget).
- › The funds are used for building an initial prototype, intellectual property protection and business development, including materials, degradable components, sub-contractors and consultants, patent attorneys and exhibition expenses (not intended for salaries and overhead expenses).

Why should you apply for this incentive program?

Benefits: The entrepreneurs are not obliged to leave their place of work or establish a company as a condition for receiving support or to give up his rights to the project.

Quality Hallmark support: The support of the Ideation (Tnufa) incentive program is an objective vote of confidence that can assist entrepreneurs in raising additional capital following initial funding provided by the program.

Follow-on funding by the Authority: Following the completion of the program's support period, the project may receive support from one of the additional incentive programs offered by the Authority.

Attractive funding model: The incentive program offers participation in risks inherent to the company's development process but not in future profits or success. A company undertakes to repay the Authority's grants via royalty payments from product sales.

For further details:



Pilot: Innovation Visas Program for Foreign Entrepreneurs

The innovation visa enables foreign entrepreneurs from around the world to develop and formulate their technological initiatives in Israel. This first-of-its-kind program enables foreign entrepreneurs to stay in Israel for a period of up to 24 months during which they can receive support under the Innovation Authority's 'Tnufa' Program. While in Israel the foreign entrepreneurs will be hosted in one of twelve selected Landing Pads for Foreign Entrepreneurs. These will expose the entrepreneurs to Israel's innovation ecosystem, provide them with a workspace and technological infrastructure, as well as business and logistic support. Should the project subsequently mature into a company, the foreign entrepreneur will be able to receive an 'expert visa' and file a request for support from the Israel Innovation Authority's different programs. Such further support may allow entrepreneurs to stay in Israel and work on the project as an employee for a period of up to 5 additional years

For further details:



Innovation Labs Program

The Innovation Labs Program encourages open innovation and offers entrepreneurs the opportunity to access a unique technological infrastructure and industry expertise in order to attain proof of concept. The support is provided via innovation labs spanning various sectors and operated by leading corporations.

Goal of the incentive program

The Innovation Labs program is designed to provide entrepreneurs with access to unique technological infrastructure, market insights, marketing avenues and to industry expertise, in order to attain proof of concept and transform technological ideas into products. The lab offers corporations an opportunity to implement open innovation, take part in the leading Israeli ecosystem and gain exposure to a plethora of innovative developments.

Who is the incentive program for?

- › Leading corporations interested in establishing innovation labs and take part in the cutting-edge Israeli technological community.
- › Entrepreneurs with a technological idea who are interested in gaining access to a unique technological infrastructure, leading corporate innovation teams, market expertise, and exposure to a corporate network, including customers and investors.

What do you get?

Corporations:

- › Three-year license with the possibility to extend the license for additional three years.
- › The Authority will fund up to NIS 4 million of the lab's establishment (33% of the costs, 50% in the periphery areas), and up to NIS 500,000 (50% of the approved budget) of the ongoing operating expenditures of the lab, each year.

Start-up companies:

- › **An attractive grant:** A conditional grant of up to NIS 850,000 over a period of 1 year (85% of the approved budget).

Why should you apply for this program?

Corporations:

The Israeli ecosystem: Exposure to the Israeli innovation ecosystem as a source of growth.

Open innovation leadership: An opportunity to create value for stakeholders.

Start-up companies:

- › **Collaboration with corporations:** an opportunity to gain access to technological infrastructure in order to attain proof of concept and market value offered by the corporation.
- › **Flexible conditions:** The entrepreneur is not required to establish a company before the project is approved by the Innovation Authority.
- › **Attractive funding model:** The incentive program offers participation in the risks involved in the company's development process but not in future profits or successes. A company undertakes to repay the grants received by the Authority via royalty payments from product sales.

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 technological, business and administrative support. The incubator offers a supportive framework for the establishment of a company and development of a concept into a commercial product. 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 newly established startups to reach a fundable milestone.

Who is the incentive program for?

- › Entities interested in establishing technological incubators in Israel and receiving a license from the Innovation Authority.
- › Private entrepreneurs interested in establishing startup companies
- › New Israeli startup companies owned by private entrepreneurs interested in developing a commercial product
- › New Israeli startup companies owned by private entrepreneurs interested in developing a commercial product.
- › Research institutions interested in commercializing technologies based on ground-breaking studies of new startup companies.

What do you get?

- › The conditional grant provided as part of this incentive program is 85% of the approved budget, up to NIS 3.5 million for a period of up to two years or up to NIS 6 million for a period of up to three years (depending on project type and geographical location of the incubator). Companies implementing the project in Area 'A' Development Regions will receive additional funds.
- › The grant provided as part of the Biotechnology Incubator is 85% of the approved budget, up to NIS 8.1 million for a period of up to three years.
- › Supplementary investment financing of 15% of the approved budget provided 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. The incubator provides infrastructure to establish the company and project.

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.

Attractive conditions: Low risk, high leverage, a degree of certainty.



For further details:

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, minorities, and Ultra Orthodox.

Goal of the incentive program:

To provide an incentive for private investments in early stage companies engaging in R&D and that constitute a vital component in encouraging the growth and development of the high-tech industry in Israel.

Who is the incentive program for?

- › New Israeli startup companies from all industrial sectors interested in developing or upgrading innovative products and in continuing to operate and grow in Israel.
- › The incentive program offers preferential terms to companies held by minority/Ultra 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 Area 'A' Development Regions and 75% for companies operating in the area surrounding the Gaza Strip) with a maximum grant of NIS 5 million for a period of up to two years.
- › The grant provided under the Early Stage Companies minorities/Ultra Orthodox sub-programs is 85% of the approved budget, with a maximum grant of NIS 2 million. The companies participating in these incentive programs can apply for continuation in the standard sub-program, with a maximum cumulative grant of NIS 5 million for a cumulative period of up to two years.
- › A company receiving the committee's approval for its project will be given the opportunity to raise the supplementary 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.

Attractive funding model: The incentive program offers participation in the risks involved in the company's development process but not in future profits or successes. A company receiving benefits undertakes to repay the received funding to the Authority via royalty payments from sales, but only if the project succeeds in reaching commercialization stage.



For further details:

Renewable Energy (Cleantech) 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, together with a strategic investor and an academic research center.

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. The center operates in the Eilat region and utilizes this area's unique geographic and climatic advantages. This support is conditional upon the project's ability to 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, fuel alternatives, 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:

Initial 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 early stage 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:

- **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 a 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.
- **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 have not previously received 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 receiving 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 succeeds in reaching the commercialization stage, and the company generates revenues.
- **Testing areas sub-program:** Financial support of 50% of the approved R&D expenditures for activity period of up to two years, with no royalties payment obligation.



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 resources in the fields of renewable energy.

Quality Hallmark 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.

For additional information please contact:

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For further details:



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 Division Incentive Programs:

- **R&D Fund** – Support of R&D and Encouragement of Technological Innovation
- **Generic R&D for Large Companies**
- **Innovation with Government Entities Incentive Program**
- **Supporting the Establishment of Multinational Companies in the Fields of Biotechnology and Medicine (Pilot)**

For additional information please contact:

Growth Division
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R&D Fund – Support of R&D and Encouragement of Technological Innovation

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 on behalf of 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 in all sectors, at all stages of R&D.

Goal of the incentive program:

- The R&D Fund encourages technological innovation in a wide variety of fields such as: hardware, software, communications, complex systems, life sciences, medical devices, cyber, IOT, fintech, cleantech, and others.

Who is the incentive program for?

- Israeli companies from all industrial sectors interested in enhancing manufacturing processes, or in developing or upgrading existing products, or those in advanced stages of development that require technological and engineering adaptations and alterations in a product developed by the submitting company, in accordance with standards and needs of the target countries' markets.

What do you get?

- A conditional grant of 20% to 50% of the approved R&D expenditures.
- Companies operating in Area 'A' Development Regions are eligible for additional support of 10%.
- Companies operating in the area around the Gaza Strip are eligible for an additional grant of 25%

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.

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

For further details:



Generic R&D Incentive Program 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 that employ at least 200 employees in R&D or with a R&D budget in Israel of at least USD 20 million. In addition, the company's average yearly sales (including subsidiaries) must exceed USD 70 million for 3 years; or its parent company's total revenue (with a direct or indirect holding of at least 80%) exceeds USD 2.5 billion.
- Pre-Competitive technology R&D programs. Highlighting the product's various developmental generations.

What do you get?

- A grant of 20%-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.
- Companies operating in Area 'A' Development Regions will be eligible for additional support of 10%
- A company receiving the support will not be obliged to pay royalties to the Authority.

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 in order to develop innovative technologies that provide a competitive advantage for the company.

Attractive financing model: The incentive program offers substantial financial benefits as well as participation in risks involved in the development process but not in the future profits or successes.

For further details:



Incentive Programs for Innovation with Government Entities

Collaboration between the Innovation Authority and the various government ministries enables to focus government effort in selected fields, including: funding support for high-risk initiatives, supplementary support of regulatory entities with the regulatory requirements for pilot tests, access to government-owned trial sites and facilities, significant impact on the growth of Israeli companies, and the creation of market influence from technological application in further levels of the local innovation ecosystem.

The incentive programs enable Israeli technology companies to receive support in their R&D programs or trial programs (pilot – a trial for assessing feasibility/proving the value of an existing technology in a work surrounding that simulates the target market) in selected fields, according to calls for proposals and submission deadlines to be publicized in the following frameworks:

- › Support for trial programs in the field of transportation
- › Support for trial programs in the field of environmental protection
- › Support for trial programs and R&D programs in the field of digital health
- › Support for trial programs in conjunction with the Government Companies Authority
- › Support for encouraging R&D in the field of space technologies
- › Support for Groundbreaking R&D Programs in the Field of Cyber
- › Support for Pilot Programs in the Field of Cyber
- › Support for agricultural R&D and pilots
- › Assistance for investment in projects for energy efficiency and reduction of greenhouse gas emissions

› Support for Trial Programs in the Field of Transportation

This incentive program, that supports pilot programs in the field of transportation, is operated jointly by the Innovation Authority, the Ministry of Transport, and the Fuel Choices and Smart Mobility Initiative in the Prime Minister's Office. The objective of the program is the development and application of transportation-related innovative technologies and operative perceptions that will advance the field and develop the Israeli high-tech industry with the aim of streamlining and improving transportation, both in Israel and abroad.

The incentive program is intended for Israeli technology companies in the field of transportation. The participating companies will receive financial support of between 20%-50% of the pilot's approved expenditures. An exceptional support rate of 75% of approved R&D expenditures will be awarded to programs with potential for exceptional impact on streamlining and improving transportation in Israel. Regulatory assistance may also be given by the Ministry of Transport in the implementation of a trial program and in receiving relevant designated regulatory delineation.

For further details:



› Support for Trial Programs in the Field of Environmental Protection

This incentive program supports R&D and trial (pilot) programs in the fields of environmental protection and is operated jointly by the Innovation Authority and the Ministry of Environmental Protection. The program's objective is to develop and implement innovative technologies in the field of environmental protection (cleantech) and evaluate their feasibility on an industrial scale and among relevant clients. Other objectives include: development and implementation of technologies that lead to a reduction in the use of natural resources and/or to a reduction in pollutant emissions; the cultivation of complete and sustainable environmental protection companies in Israel by promoting innovative technological solutions.

The incentive program is intended for Israeli technology companies in the field of environmental protection. The participating companies will receive financial support of between 20%-50% of the pilot's approved expenditures. An exceptional support rate of 75% of approved R&D expenditures will be awarded to programs with potential for exceptional impact on the environment. Regulatory assistance may also be given by the Ministry of Environmental Protection in the implementation of a trial program and in receiving relevant designated regulatory delineation.

For further details:



› Support for Trial Programs and R&D Programs in the Field of Digital Health

This incentive program supports R&D programs and trial (pilot) programs in the field of digital health and is operated jointly by the Innovation Authority, the Ministry of Health and the Headquarters for the National Digital Israel Initiative in the Ministry of Social Equality. The objective of the program is to promote the health system and public health, both in Israel and abroad, through the development and application of innovative technologies in the field of digital health and evaluation of their feasibility among the health organizations in Israel. Furthermore, this incentive program also encourages the creation and cultivation of complete and sustainable companies in the field of digital medicine in Israel via the promotion of innovative technological solutions.

The incentive program is aimed at Israeli technology companies (that are not one of the existing health organizations in Israel) for projects in the field of digital health, to be implemented by the Israeli health organizations, or that are based on their capabilities, figures or data. The participating companies will receive financial support of between 20%-50% of the pilot's approved expenditures. An exceptional support rate of 75% of approved R&D expenditures will be awarded to programs with potential for exceptional impact on the health system and public health, both in Israel and abroad, or that constitutes a technological breakthrough in its field.

For further details:



Support for Trial Programs in Conjunction with the Government Companies Authority

This incentive program supports R&D and trial (pilot) programs at government companies' sites and is operated jointly by the Innovation Authority, the Government Companies Authority at the Ministry of Finance. The program's objective is to develop and examine technologies which enable the streamlining of the government companies' financial activity and commercial performance via trial sites of relevant government companies.

The incentive program is intended for Israeli technology companies (that are not government companies) which will implement their initiative at government companies' sites or via their capabilities, data or information. Participating companies will receive financial support of between 20%-50% of the pilot's approved expenditures. An exceptional support rate of 60% of the pilot's approved expenditures will be awarded to programs with potential for exceptional impact on government companies' financial activity.

For further details:



Support for Encouraging R&D in the Field of Space Technologies

This incentive program encourages R&D to find technological solutions in the various fields of space and is operated jointly by the Innovation Authority and the Israeli Space Agency in the Ministry of Science and Technology. The incentive program aims to encourage R&D that may strengthen Israeli industry's knowledge and technological developmental capability in the field of space; to reduce gaps in knowledge vis-a-vis the global market and to enhance Israeli industry's competitiveness in these fields. These objectives are undertaken despite the many challenges which include: significant technological risk, high development costs, limited scope of manufacturing, and the systems' high cost.

The incentive program is intended for companies that are developing products in the fields of space and which are intended for installation in satellites or in ground stations for satellite control and navigation, as well as for companies that are developing devices and equipment for calibration and testing of these products or that are involved in satellite activity, including the installation of different versions of sellable satellites for export. As part of this program, a "large" company (with an annual turnover equal to or exceeding USD 100 million in the year prior to submitting its request) will receive a grant of 50% of the approved R&D expenditures. A "small" company (with an annual turnover less than USD 100 million in the year prior to submitting its request) will receive a grant of 60% of R&D in ground-designated products and parts, or a grant of 85% of R&D in products or parts intended for operation in space.

For further details:



Support for Groundbreaking R&D Programs in the Field of Cyber

This incentive program, which is operated jointly by the Innovation Authority and the National Cyber Directorate at the Office of the Prime Minister, supports breakthrough research and development programs in cyber defense. The program's goal is to promote significant growth of core technological capabilities that will enable the finding of innovative technological solutions and the development of groundbreaking products in the field of cyber defense. Furthermore, this incentive program also encourages the creation and cultivation of complete and sustainable companies in the field of cyber defense in Israel via the promotion of innovative technological solutions.

This program is intended for Israeli cyber technology companies. Participating companies will receive financial support of 20%-50% of approved R&D expenditures. An exceptional support rate of 66% of approved R&D expenditures will be given to programs with significant potential to influence the global cyber market, or that constitute an outstanding technological groundbreaking in its field.

For further details:



Support for Pilot Programs in the Field of Cyber

This incentive program, which is operated jointly by the Innovation Authority and the National Cyber Directorate at the Office of the Prime Minister, supports R&D programs in the fields of cyber defense technology with the objective of supporting and promoting productization and piloting of innovative cyber technologies as well as conducting feasibility tests among significant customers. This program also promotes growth of complete and sustainable cyber companies in Israel by bolstering innovative technological solutions.

The program is intended for Israeli cyber technology companies that have developed a product/service that has yet to be launched in Israel and which is still undergoing development. In terms of technology readiness level (TRL), the program aims to promote cyber companies with a TRL of 4/5 (validation in laboratory) to a level of TRL 7/8 (actual system qualified through test and demonstration). This program offers companies a grant of 20%-50% of the approved R&D budget.

For further details:



Support for Agricultural R&D and Pilot Programs

This incentive program, which is operated jointly by the Innovation Authority and the Ministry of Agriculture, aims to encourage the development of agricultural products intended for sale and export.

The incentive program is intended for Israeli companies in the various agricultural fields such as species cultivation, seeds, animal breeding and others. Participating companies will receive financial support of up to 60% of the approved R&D and pilot expenditures for development of agricultural equipment or innovative commercial agricultural technology. Companies active in designated development regions will be eligible for an additional grant of 10%.

For further details:



Assistance for Investment in Projects for Energy Efficiency and Reduction of Greenhouse Gas Emissions

This incentive program aims at providing extensive support for projects that undertake initial commercial installations of new Israeli technologies. The program is operated by the Innovation Authority in conjunction with Israel Investment Center and the Ministry of Environmental Protection. The program's objective is to encourage demand for innovative Israeli cleantech technologies and to develop Israeli high-tech industry in the field of energy efficiency and reduction of greenhouse gas emissions.

The incentive program is intended for entities engaged in initial application of new Israeli technologies in the fields of energy efficiency and reduction of greenhouse gas emissions. Participating companies will receive financial support of 40% of the cost of installation.

For further details:



Incentive Program to Encourage the Establishment of Multinational Companies' R&D Centers in the fields of Biotechnology and Health (Pilot)

This incentive program enables large foreign industrial corporations operating in the fields of biotechnology or health to establish or expand their Israeli R&D and technological innovation operations as well as their management and global value chain operations in these fields. The program also aims to increase the number of personnel employed by the company in Israel, including non-R&D employees.

Technological Infrastructure Division

The Technological Infrastructure Division focuses on development of generic technologies & R&D infrastructures. The incentive programs offered by this division prompt the direction of academic knowledge towards applied knowledge, transfer of knowledge to industry, 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 international markets.

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 groundbreaking technologies and dual use products.

Technological Infrastructure Division Incentive Programs:

- Generic Technologies R&D Consortia - MAGNET
- User's Association R&D Infrastructure
- Technology Transfer - MAGNETON
- Applied Research in Academia - NOFAR and KAMIN
- Promoting Applied Research Institutes
- Leveraging of R&D in Dual Use (Civil & Defense) Technologies - MEIMAD
- Supporting National Infrastructure - TELEM

➤ For additional information please contact:

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



Generic Technologies R&D Consortiums - MAGNET

Consortiums of industrial companies and research institutions collaborating to develop innovative technologies.

Goal of the incentive program:

To assist in the development of generic technologies in important areas where Israeli industry has a competitive advantage. Since the incentive program specializes in the development of generic 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 interested in developing 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 years.

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 implemented.

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.

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.

For further details:



Users' Association R&D Infrastructure

This incentive program allows joint activity of a group of industrial corporations. The corporations promote a joint R&D infrastructure required by several industrial entities from the same technological field.

Goal of the incentive program:

Development and operation of R&D supportive infrastructure that jointly contributes to a number of companies from the same technological field.

Who is the incentive program for?

- › Companies engaged in R&D and interested in collaborating in the establishment of R&D infrastructure critical to their activity.

What do you get?

- › The Association, as an independent legal entity, receives a grant of up to 66% of the approved budget. The remaining 34% is funded by the participating companies. Companies do not receive any direct grants as part of this incentive program.
- › Time Frame - up to 3 years, with the option for an extension of further 3 years.

Why should you apply for this incentive program?

Cost-effectiveness: Pooling of resources towards a joint initiative, that would be difficult, expensive, or impossible for an individual company.

For further details:



Technology Transfer - MAGNETON

The 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:

Validation of laboratory results and transfer of the 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 research institutes and institutes approved by the Technological Infrastructure Division, seeking to carry out innovative and original applied research in collaboration with an Israeli 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, for a period of up to 24 months.
- › The grant recipients are exempt from paying royalties.

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 and following the project, they can integrate it in their activities and continue to develop innovative products with economic potential or upgrade existing products.

Examination of applicability 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 the commercialization rights realization: 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.

For further details



Promoting Applied Research in Academia - NOFAR, KAMIN

These incentive programs focus on supporting applied research in academia. They aim at supporting technologically feasible ideas which require financing in the initial applied research stage at academic institutions, and that have not matured sufficiently for the industry.

Two programs are designed to address this aim:

- The NOFAR Program, submitted by an academic researcher and accompanied by a strategic industrial company or a business entity.
- The KAMIN Program, submitted by an academic researcher.

NOFAR Incentive Program

The NOFAR incentive program provides financing for initial stage applied research at universities that has not matured sufficiently to qualify a company for applying for MAGNETON support. The NOFAR incentive program is limited to 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 such as hospitals and public research institutes.

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 700,000.
- The grant recipients are exempt from repayment of royalties.

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.

For further details:



KAMIN – Incentive Program

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 the academic research institutions 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, public 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 440,000 per year. A study conducted in collaboration with two different institutes will be eligible for funding of up to NIS 660,000 with a maximum sum of NIS 400,000 for a single institution.

- › 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.

Bridging the gap between basic research and applications: 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 research.

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

For further details:



Applied Support of Research Institutes

This incentive program assists and supports research institutes conducting applied research promoting industry in Israel. The support is provided via three sub-programs:

- › R&D Generic Technology Programs
- › R&D Programs in Cooperation with an Industrial Company
- › Purchasing of R&D Scientific Equipment

* Interested parties may apply to two or more programs simultaneously.

Goal of the incentive program:

To provide assistance and support in the creation of R&D capabilities in applied research institutes that conduct applied research whose goal is the further development of Israeli advanced manufacturing.

Who is the incentive program for?

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

What do you get?

- › Grant funds are to be used for the financing of the R&D sub-program program and/or the equipment purchased. The benefit will be provided for a period of one year, with the possibility to apply for support for an additional year.

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.

For further details:



Leveraging R&D for Dual Use Technologies - MEIMAD

MEIMAD is a joint venture of the Innovation Authority, Ministry of Finance and the Ministry of Defense. This incentive program supports the development of innovative solutions for the defense 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 can use one of the following three funding tracks:
 - › Promoting applied research in Academia.
 - › Technology Transfer.
 - › Development of a new product / service.
- › 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?

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

For further details:



TELEM (The National Infrastructure Forum for Research and Development)

TELEM was established in late 1997 at the initiative of the Israeli National Academy of Science. The Forum is a voluntary organization that strives to promote R&D programs and projects in scientific and technological fields through establishment of national R&D infrastructures and inter-organizational, inter-departmental and international collaborations.

The Goal of the program:

Consultation and coordination between the Forum's member entities on issues relating to R&D; initiation, coordination, assessment, pooling of resources (from the budgets of the forum's member entities and other relevant bodies) and assignment of responsibility for implementation and supervision of the establishment and operation of national R&D infrastructures.

Who is the program for?

- › The forum approaches members and external entities with whom contact is established through official agreements that detail each party's obligations.

The Projects in this Incentive Program:

- **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.
- **Israel National Nanotechnology Initiative:** The INNI program aims to aid investment in nanotechnology centers in academia in order to create and develop an academic technological infrastructure that will be used by the industries.

For further details:



Nanotechnology in Academia Incentive Program

The first nanotechnology research institute was established at the Technion in 2005 for a period of five years and with a total investment of USD 78 million, funded jointly by the Technion, a philanthropic fund and the State of Israel. The funding was implemented by the members of TELEM (The National Infrastructure Forum for Research and Development). The program aims to aid investment in academic nanotechnology centers to create and develop an academic technological infrastructure capable of meeting the industry's needs.

The Program's Achievements:

As part of the establishment of the nanotechnology R&D center at the Technion, **valuable infrastructure equipment was acquired**, the use of which is not limited to the institute and may be used by researchers from other universities and companies in the industry.

Two years after the establishment of the center at the Technion, nanotechnology centers were inaugurated at 5 further research institutes: The Weizmann Institute, The Hebrew University, Tel Aviv University, Bar Ilan University, and Ben Gurion University.

The scope of total investment in these centers stands at approximately USD 142 million, about 20% of which was invested in 2009. The "triangle funding" model that characterized the establishment of the institute at the Technion, is also implemented at the other nanotechnology centers.

13 projects with joint Israeli-German funding were launched during 2018 with a total of approximately NIS 80 million for 3 years. At the center of these projects is the transfer of knowledge from nanotechnology centers in academia to Israeli industry together with German research centers and industry. The research projects include: applications of technologies in the fields of photonics, materials, diagnostics, drug administration, coatings, electronic components and sensors efficiency, and energy utilization.

A further call for proposals for continued collaboration with Germany in this field is expected to be published in 2019.



International Collaboration Division

The Innovation Authority offers a variety of international cooperation and incentive programs operated by the International Collaboration Division desks (Europe, the Americas, Asia-Pacific), and by the Multinational Corporations desk. The support for international cooperation projects is carried out through multinational frameworks such as the EU Framework Program for Research and Innovation, and bi-national funds that finance joint projects of Israeli and foreign companies, or parallel support programs in which each party offers financing.

The Division's geographical desks assist with "matching" between partners in Israel and abroad to create joint R&D initiatives, as well with organizing meetings with companies and investors, facilitating participation in conferences and exhibitions etc.

The International Collaboration Division's activity reaches all sectors and target audiences benefit from a network of agreements, programs and international connections that the Division maintains for the industry. The International Division serves as a bridge between economies and business cultures.

Target audiences:

- **Foreign clients:** Government officials, 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.
- **The Israeli Government:** on whose behalf the Innovation Authority maintains (via the International Division) agreements of collaboration with international entities.

International Division Incentive Programs:

- **Bilateral Programs for Parallel Support**
- **R&D Cooperation with Multinational Corporations**
- **EU Framework Agreements - Horizon 2020**
- **Program for Boosting Participation of Israeli Corporations in Horizon 2020**
- **European Programs for Parallel Support**
- **Incentive Program for Adapting Products for Emerging Markets**
- **Bi-national Funds**

➤ **For additional information please contact:**

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



Bilateral Programs for Parallel Support

The bilateral programs for parallel support of industrial R&D 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 Asia, North and South America, Europe, and Australia.

Goal of the incentive programs:

To promote international cooperation in R&D based on significant technological innovation. These programs also offer assistance in finding technological 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 international partner.
- › Israeli technology companies and startups seeking to create strategic alliances and partnerships with companies and organizations abroad, to expand their operations, to undertake Beta site and trial (pilot) projects, to 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 collaboration's approval 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. In most cases, the criteria for submission of applications to the bilateral programs 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.



For further details:

R&D Cooperation with Multinational Corporations

This incentive program is for international collaborations between foreign multinational corporations and 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. The list of participating foreign corporations is published on the website.

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.

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 (in-kind assistance).
- › The possibility of sharing ownership of intellectual property with the MNC, or providing the MNC with a non-exclusive license to use the new knowledge via an agreement between the project partners.

Why should you apply for this incentive program?

Access to Expertise and Experience: Assistance and support from a world-renowned MNC and access to its technological, industrial and commercial expertise and experience.

Funding for Technological Adaptation: Funding assistance from the Innovation Authority for R&D of new technology, or the adaptation of existing technology to the foreign corporation's technological infrastructure. The company will pay royalties to the Innovation Authority but only if the project reaches the commercialization stage and generates sales revenues.

Productive Collaboration with a MNC: Growth possibilities, exposure to new markets and international connections as a result of the collaboration; a professional vote of confidence from a giant MNC.

For further details:



The EU Framework Agreements – Horizon 2020

Horizon 2020 Program – Cooperation in R&D and Innovation as part of the European Frameworks Program

Horizon 2020 is the European Union's Framework Program for Research and Innovation and constitutes the world's largest platform for the funding of research, development and innovation. The program, which began operation in 2014 and will conclude in 2020, has a multi-year budget of approximately 77 billion Euros. Israel is a full partner in the program and Israeli entities are eligible to submit requests and receive funding.

The program funds:

- › Consortia between at least three partners from three countries for R&D and innovation activities. The partners may be from the fields of industry, academia, research institutes, public and private organizations, and any other legal entity relevant to the consortium's activity.
- › Outstanding scientists in groundbreaking research via the ERC (European Research Council) Program.
- › Small and medium-sized businesses via the SME Instrument.
- › Researchers' mobility via the Marie Skłodowska-Curie Actions Program.

Who is the program for?

- › Any organization or legal entity that would benefit from cooperation in international research, development and innovation processes: companies, startups, corporations, research and academic institutions, government agencies, hospitals, municipalities, non-profit organizations and others.

How do you submit a request for funding?

- › Calls for Proposals are publicized for the various programs, in some cases several times a year and in others, just once a year. Information regarding the calls for proposals can be found in the EC Participant Portal.

What do you get?

- › The possibility to realize large scale and costly projects.
- › A monetary grant to carry out the project, without giving up the rights to its intellectual property.
- › 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 and innovation policy makers.
- › Exposure to and partnership in innovative technologies.
- › Establishment and deepening of cooperation with EU research groups.
- › Creation of a business network that extends access to European markets.
- › Opening of new markets.
- › Enhanced familiarity of and business intelligence on clients, suppliers and competitors.



Program for Boosting Participation of Israeli Companies in the European Frameworks Program - Horizon 2020

As part of the efforts to assist and encourage Israeli entities in submitting requests to the Framework Program and to programs that offer joint funding by the European Frameworks Program, the Innovation Authority has initiated the establishment of a program to support companies in seeking partners and in submitting high-quality requests to the Frameworks Program, as well as a track that supports long-term involvement in this program.

Goal of the incentive program:

- › The program provides support to companies interested in submitting requests to the EU Framework Program – Horizon 2020.

Who is the program for?

- › Israeli corporations interested in participating in the Horizon 2020 Program.

What do you get?

- › **Program 37A:** Intended for corporations only interested in submitting requests to the R&D programs of the EU in the Consortia track or in the SME Instrument Phase 2. In this program, the grant will be for 75% of the approved expenditures up to NIS 40,000, including: international travel expenses, participation in conferences to locate partners, and authorized consultation for writing the request. As part of this program, the applicant will be eligible to only one grant for submission to the SME Instrument Phase 2 Track, and only one grant for submission to the Consortia Track for the entire duration of the Horizon Program – i.e., a maximum of up to two grants as part of this supportive tool during the Horizon Program.
- › **Program 37B:** Intended for selected companies for long-term participation in the EU Framework Program. As part of this supportive tool, assistance will be given each year, for up to 3 years to selected corporations for long-term participation in the Horizon Program. A participating company will receive a grant of up to 85% of approved expenditures up to NIS 70,000 for participation in European Industrial Associations, travel expenses, participation in conferences to locate partners, and authorized consultation for writing the request.



European Programs for Parallel Support

The Eurostars Program

The Eurostars program offers funding for bi-national and multinational projects operated by the EUREKA organization. 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 submission 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.

EUREKA Program

The EUREKA program was established in 1985 as an inter-governmental initiative with the aspiration of enhancing the existing competitiveness in the industry by supporting businesses, research centers and universities engaging in pan-European projects to develop innovative products, processes and services. Israel currently participates in more than 10% of the program's projects. Through the EUREKA framework, Israeli companies can participate and receive funding from bi-national and multinational partners from the program's 40 member-countries (regardless of whether Israel has a bi-lateral agreement with that country).

For further details:
www.iserd.org.il



Product Adaptation Incentive Program

The Product Adaptation Incentive Program for emerging markets was developed as part of the bi-national incentive programs out of an understanding of the importance of economic activity with emerging markets.

Goal of the incentive program:

- This incentive program allows companies to adapt their products and services to the target markets, in terms of changes in manufacture processes, regulation, language, climate etc.

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 emerging markets.

What do you get?

- This incentive program offers support and funding of up to 50% of recognized expenditures of companies that are required to make technological and engineering adaptations to their products in accordance with the standards and needs of the target market.
- The recognized expenses in this incentive program include: upgrading/changing, manufacturing processes, regulatory adaptations, establishment of a beta site, utility patent, and others.

For further details:



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 five bi-national funds:

- BIRD – Israel-United States
- CIIRDF – Israel-Canada
- SIIRD – Israel-Singapore
- KORIL – Israel-Korea
- I4F – Israel-India

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 promote and develop new and complementary technologies, and reduce 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 startups 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.

For additional information please contact:

I4F



KORIL



SIIRD



CIIRDF



BIRD





Advanced Manufacturing Division

The Advanced Manufacturing Division focuses on promoting the implementation of R&D and innovation processes in companies from 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 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:

- **MOFET - R&D in the Manufacturing Industry**
- **R&D Preparatory Incentive Program for Manufacturing Industry**



For additional information please contact:

Advanced Manufacturing Division
Email: AM@innovationisrael.org.il



Advanced
Manufacturing



Societal
Challenges



רשות החדשנות
Israel Innovation
Authority

MOFET - R&D in the Manufacturing Industry

The manufacturing industry struggles to cope with increasing global competition. The Innovation 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 export-focused enterprises to promote and implement innovative technological processes, by implementing R&D programs aimed at the development of innovative products, improvement of existing products or the development and improvement of manufacturing processes with the objective to enhance productivity and create technological differentiation that will achieve competitive advantages in the local and global markets.

Who is the incentive program for?

- **A corporation or industrial factory that was incorporated in Israel and that meets one of the following conditions:**
 1. **At least 50% of its revenues in the previous year stems from industrial manufacturing in the technology sectors:**
 - **Traditional**, such as: food, beverages, tobacco, textiles, clothing, leather, wood products, paper products, printing;
 - **Mixed-traditional sectors** such as: rubber, plastics, metals, ceramics, building materials.
 2. **At least 50% of its revenues in the previous year stems from industrial manufacturing in the technology sectors:**
 - **Mixed-high-tech sectors** such as: chemicals, cosmetics, arms and ammunition, electric equipment, manufacture of machines and motor vehicles, and medical, dental and orthopedic equipment;
 - **High-tech**, such as: pharmaceuticals, computers, electronic equipment, optic equipment, aircraft and spacecraft manufacture.
- **For a corporation meeting both these criteria:**
 - The number of manufacturing personnel is at least 30% of its total employees, but not less than three workers.
 - The number of R&D employees is no more than 10% of its total employees, but not more than 25 workers.
- 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 traditional industrial sectors.

What do you get?

- **Support of between 30%-50% of R&D expenses of the approved programs:** An increment of 10% for R&D projects in Area 'A' Development Regions and an increment of 10% if at least 30% of the project's authorized budget is implemented in a recognized research institute.

- **Recognition of unique R&D expenses for all companies meeting the program's conditions such as:**
 - Expenses for the development of molds that will be later incorporated into the company's production line, with a budget up to NIS 500,000.
 - Direct expenses for the development of unique production machinery and the construction of these machines' prototype with a budget up to NIS 500,000.
 - Expenses for the acquisition of knowledge that constitutes an integral part of the R&D program with a budget up to NIS 250,000.
 - Expenses for product commercialization and marketing activities, of up to 15% of the approved budget plan.
- **Special benefits for the first 3 R&D projects submitted by companies that manufacture in Israel:**
 - Exemption from paying royalties (for requests submitted until 31.12.2020).
 - The level of support for authorized R&D programs will stand at 50% of the approved budget.

Following the period of exemption from royalties payments, these companies (except high-tech industrial manufacturing companies) will be eligible for a decreased rate of royalties payment of 1.3%.

Clarification: High-tech industrial manufacturing companies, as defined above, are not eligible for a discount in their royalty payments.

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 advantage and allow them to penetrate new markets.

Benefits to companies just starting their R&D activities and that manufacture in Israel: 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).

For further details:



R&D Preparatory Incentive Program for Companies in the Manufacturing Industry

The preparatory incentive program is a complementary tool operated by the Innovation Authority for the manufacturing industry sectors. This tool is intended to assist companies without prior R&D experience in leading innovation processes, or for companies that require focus and guidance with their R&D activities.

Goal of the incentive program:

To create an innovation-focused change in companies from the manufacturing industry sectors, that will increase the competitiveness of the participating companies.

The preparatory incentive program has 4 secondary tracks:

1. **Basic Support Track:** the objective of this track is to assist in formulating new products or processes. In this track, a technology consultant will assist the applicant in implementing a process of mapping and examining technological capabilities in order to formulate innovative ideas.
2. **Technological Feasibility Examination Track:** this track involves a process of assessing technological feasibility under the guidance of a technology consultant who will assist the applicant in the initial process of reducing technological risks.
3. **Developing Solutions for Flaws in the Production Process:** in this track, the consultant will analyze a specific technological problem that characterizes a flaw in the production process and will assist in formulating recommended solutions.
4. **Improved Production Process:** the consultant will analyze the production processes in order to streamline them by assimilating innovative technologies improvements aimed at improving productivity.

Who is the incentive program for?

An Israeli industrial company that meets one of the following conditions:

- **The majority of its income stems from manufacture of products in the traditional technology sectors or in the mixed-traditional technology sectors. The sectors include:** food, beverages, textiles, leather, wood, paper, oil products, rubber, plastics, metals, building materials, machine maintenance.
- **The majority of its income stems from industrial manufacture of products in the mixed-high-tech technology sectors including:** chemistry, arms and ammunition, electric equipment, manufacture of machines. Furthermore, the number of the company's manufacturing personnel is at least 30% of its total employees, but not less than 3 workers; and the number of R&D employees no more than 10% of its total employees, but not more than 25 workers.

What do you get?

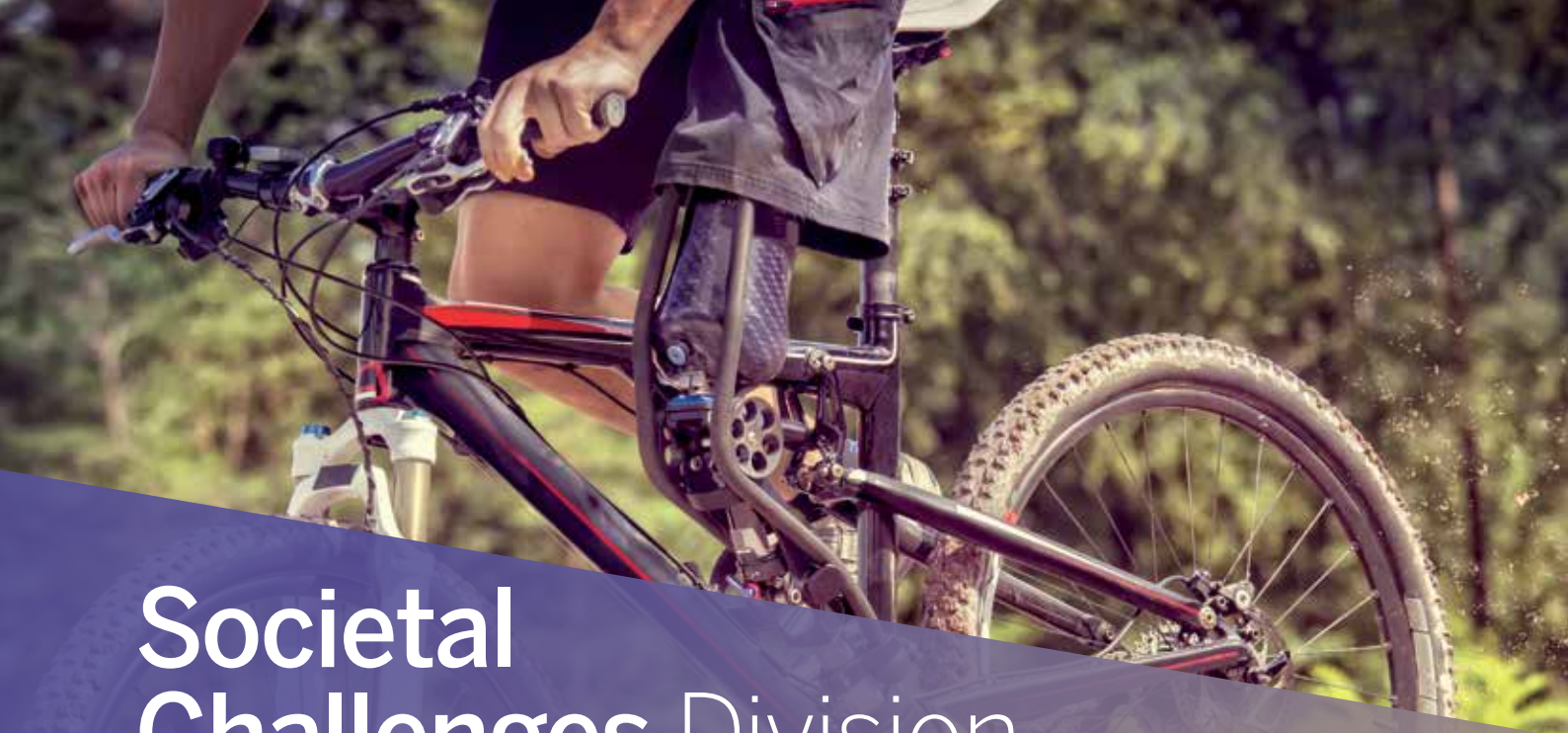
- Support for 66% of the approved budget (maximum budget NIS 75,000) and support for 75% of the approved request's budget (maximum budget NIS 100,000) for Area 'A' Development Regions. The support includes the consultant's fee, market surveys, technology and patents, laboratory tests, purchase of materials and specific equipment, additional technology consultants' fees and other miscellaneous expenditures related to the approved program.

Why should you apply for this incentive program?

Identification of Technological Gaps: Companies applying for the R&D preparatory incentive program will receive professional consultation to assist them in identifying technological gaps in their current capabilities, locating directions for possible development, identifying flaws in the production process, improving the production process and, when necessary, in preparing for implementation of a more comprehensive R&D program (together with the support of the Innovation Authority).

For further details:





Societal Challenges Division

The Societal Challenges Division focuses on harnessing technological innovation to solving substantial problems in society and the public sector in Israel, and on developing solutions for the lack of skilled workers in the high-tech industry by increasing the number and variety of employees in this sector.

The Division's human capital incentive programs support training programs and entry into the industry, while giving special emphasis to target populations with high potential in Israel and abroad, minority populations entrepreneurship, and technological innovation that assists the promotion of these objectives.

The Division's incentive programs in Social-Public R&D offer unique tools of support for initiatives that solve social and public problems (such as assistive technologies for the disabled), and operates according to the "double bottom line" principle that examines commercial, technological and social impacts.



For additional information please contact:

Societal Challenges Division
Email: SC@innovationisrael.org.il



Advanced
Manufacturing



Societal
Challenges



רשות החדשנות
Israel Innovation
Authority

Assistive Technology for the Disabled Incentive Program

This unique incentive program encourages R&D of assistive technologies for the disabled and contributes to their quality of life while easing their integration into society, the community and the labor market. These developments benefit the disabled and enable significant financial saving on social and national levels.

Goal of the incentive program:

Encouragement of industrial products' R&D that provide technological solutions for the disabled to enable them to integrate into society and the labor market. This incentive program is the result of collaboration between the Innovation Authority and the National Insurance Funds.

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 up to 5% of the population.

What do you get?

- A maximum grant of NIS 900,000 for a period of up to 12 months.
- An NGO project that is approved will receive 85% of the approved budget up to the maximum grant.
- A commercial corporation's project that is approved will receive: 65% of the approved budget up to the maximum grant if the corporation was established up to 5 years before submission of the request and 30%-50% of the approved budget if the corporation is more than 5 years before submission of the request.

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, as usually set in most of the Authority's incentive programs.

For further details:



Societal Challenges Division Incentive programs:

- Assistive Technology for the Disabled
- Digital Innovation for Public Sector Challenges
- Diverse Startups: Incentive Programs for Ultra-Orthodox and Minorities
- Coding Bootcamps Program
- GCI-Grand Challenges Israel



Digital Innovation for Public Sector Challenges

This incentive program was launched by the Authority as part of the Ministry for Social Equality's "Digital Israel" project.

Goal of the incentive program:

Encouragement and assistance for entrepreneurs seeking to meet the challenges and needs of the public sector with innovative technological solutions. The fruits of the incentive program will enable:

- › Improved public-government service for the citizens
- › Streamlining and enhancement of public sector and public services sector
- › Improved public accessibility of information
- › Protection of public sector data systems.

Who is the incentive program for?

- › Private Israeli companies or Israeli entrepreneurs seeking to develop, manufacture, and commercialize products, services, and processes that will support the goals of this incentive program. and that will provide a technological innovation criteria and the response to the needs defined as prioritized by the Digital Israel Fund.

What do you get?

- › **Funding of up to NIS 300,000:** Financial support of 80% of the approved budget for a period of up to 12 months.
- › **Financial Support Funding of NIS 300,000-4,000,000:** Financial support of 50% of the approved budget for a period of up to 12 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.

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.

For further details:



Diverse Startups: Incentive Programs for Ultra-Orthodox and Minorities

The incentive programs for Ultra-Orthodox and minorities are sub-programs of the Early Stage Incentive Program.

Goal of the incentive program:

To provide investors with a positive signal and to create an incentive for investment in early stage companies owned by a minority or an Ultra-Orthodox entrepreneurs that constitute a critical factor in encouraging the growth and development of the Israeli high-tech industry.

Who is the incentive program for?

- › Israeli companies in all of the industry's sectors, at the beginning of their activities, interested in developing or upgrading innovative products, improving local production processes and continuing operation and growth in Israel. Companies that at least 33% of their shares are owned by an entrepreneur from the Haredi or minorities sector.

What do you get?

- › A grant of 75% of the project's approved budget in the first year and 70% in the second year.
- › Companies in this incentive program can submit a further request under the Early Stage Companies Standard Program up to a maximum total grant of NIS 5 million during a cumulative period of up to two years.
- › The opportunity to raise supplementary financing up to six months after the date of approval.

Why should you apply for this incentive program?

Increased Grants for specific populations

Assistance during Establishment Stages: The sub-program enables young startup companies to overcome the difficult stages of establishing a startup and of raising funds during the product development stage.

Positive Signal to Investors: The possibility of raising supplementary financing for up to six months after the project's approval assists companies in their efforts to mobilize investment during the early stages of operation.

Attractive Funding Model: The program assumes the risks associated with the company's development stage but does not participate in the profits or future successes. The companies receiving benefits undertake to repay the received funding to the Innovation Authority via royalty payments from sales, but only if the project succeeds in reaching the commercialization stage according to royalties' directives.

For further details:



Coding Bootcamps Program

This program supports courses that offer extra-academic computer coding training.

Goal of the incentive program:

The Coding Bootcamp Program aims to increase the number of graduates acquiring relevant practical training who are placed in development roles at high-tech companies with a salary of at least NIS 14,000 (15 months after finishing the course).

Who is the program for?

- Professional training companies, non-profit associations, high-tech companies and academic institutions interested in establishing or expanding an extra-academic coding training program.

What do you get?

- Conditional Funding:** NIS 7,500 per graduate in an existing course and NIS 12,000 per graduate in a new course. The conditional funding will become a grant when the course attains at least 50% of the declared growth objective.
- Placement Grant:** Awarded for placement of graduates in development positions in the high-tech industry with a salary of at least NIS 14,000 (15 months after finishing the course) for at least 9 months. The sum of the grant increases according to the graduate's salary. A higher grant will be awarded for graduates belonging to one of the sectors of the population currently under-represented in the high-tech industry.

For further details:



Back to Tech Program

The Israel Back to Tech Program has undergone a makeover and is today focused on bringing skilled personnel back to the Israeli high-tech industry. The program seeks to increase the number of skilled workers in the Israeli high-tech industry via Israeli technology professionals living abroad who have accumulated knowledge and experience in the global high-tech industry. The program is for Israelis seeking to integrate into the industry in Israel, while maintaining a continuous dialogue with employers interested in employing high-quality and experienced personnel.



Further details:
Backtotech@innovationisrael.org.il

For further details:



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.

Goal of the incentive program:

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. Participation in this incentive program combines charitable acts and services with new business opportunities and the chance to solve global challenges.

Who is the incentive program for?

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

What do you get?

- Support of 70%, 80% or 90% of the approved budget, up to a maximum of 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 from target countries.

Exposure to new markets and potential partners: This incentive program creates bridges between entrepreneurs and potential partners in target markets.

For further details:



The Processing Stages of an Application

- 1 Submission of grant application
- 2 Authority appoints Head of Sector
- 3 Authority appoints a technical evaluator
- 4 Review and submission of technical evaluation
- 5 Financial review
- 6 Authority's R&D committee reaches a decision regarding the application
- 7 Notification of the decision is sent to the company
- 8 Authority prepares documents to be signed by the company
- 9 The company and the Authority sign a contract
- 10 Advance payment
- 11 Payments are made against quarterly reports
- 12 Submission of final reports by the company
- 13 Final review

Requests by Israeli entities for Innovation Authority assistance can be submitted and followed via the Companies' website.

For further details:

