



Ministero degli Affari Esteri
e della Cooperazione Internazionale

Direzione Generale per la
Promozione del Sistema Paese
Repubblica Italiana



Israel Innovation Authority
International Collaboration Division
State of Israel

Israel-Italy “Joint Innovation Program”
for Research and Development Cooperation in Industrial, Scientific and Technological fields in R&D

**Twenty-first Call for Proposals for Joint Industrial R&D Projects
 (“INDUSTRIAL TRACK”)**

Submission by June 21st 2023

In Italy: at 17.00 hr CET

In Israel: at 12.00 hr

Within the activities foreseen by the Agreement for Research and Development Cooperation in Industrial, Scientific and Technological fields, signed by Italy and Israel on June 13, 2000 (hereinafter called “the Agreement”), the Directorate General for Cultural and Economic Promotion and Innovation of the Ministry of Foreign Affairs and International Cooperation for the Italian Party, and the International Collaboration Division of the *Israel Innovation Authority* for the Israeli Party (hereinafter called “the Parties”), agreed to issue a call for proposals for the selection of joint Italian-Israeli industrial research and development projects eligible for financial support, as foreseen in Article 4 of the Agreement.

1. Priority Research Areas

1.1 Joint industrial R&D projects can be submitted in the following areas, as listed in Article 2 of the Agreement:

- medicine, biotechnologies, public health and hospital organization;
- agriculture and food sciences;
- application of information technology to education and scientific research;
- environment, water treatment;
- new energy sources, oil alternatives and exploitation of natural resources;
- innovation in production processes;
- ICT, data communications, software, cyber security;
- space and earth observation;
- any other area of mutual interest.

1.2 The joint industrial R&D projects, which will be evaluated and selected according to the

procedure in paragraph 4 of the present Call, will be funded by both Parties. Financial support will be granted to each partner of the selected joint project by their respective national Party, in accordance with the national and/or regional Laws, Rules, Regulations and Procedures in force.

2. Eligibility requirements

- a) The **Italian applicant** must be an industrial entity (company) or a non-industrial entity (university, research center, etc.). The applying industrial entity must be a company that runs R&D activities, and can carry out the project either independently or in association with other public or private companies or entities. In case the company does not run R&D activities directly, it must be assisted by a non-industrial entity (university, research center, technological park) able to carry out the proposed research as an associate entity. The outcome of research activities (product or service) must display clear potential for improving existing products or creating new marketable products that guarantee sale profits to the participating company. The applying non-industrial entity (university, research center) must always be associated with an industrial entity, irrespective of the capacity of this latter one to provide R&D activities for the realization of the project;
- b) The **Israeli applicant** must be an R&D performing company, which will incur revenue from selling the product/service developed during the project. The Israeli partner may be technologically and scientifically assisted by a non-industrial entity (university, research center, etc.) as a subcontractor;
- c) The Italian and Israeli applicants must express their willingness to cooperate, on a balanced basis, towards the development of new products, industrial processes or services;
- d) Joint activities of the Italian and Israeli applicants can be carried out in one or in both countries, must be planned and described in the submitted proposal and must represent a relevant part of the overall work;
- e) The product, process or service must be innovative;
- f) The project should include proof of concept activities and/or prototype development and testing jointly carried out by the Italian and Israeli applicants in Italy. Alternatively, the project should include activities of technological research and development, jointly run by the Italian and Israeli applicants in Israel. Proposals including both activities are encouraged.
- g) The planned activities and provisional budget should be balanced between the Italian and Israeli applicants and must include cost estimates of joint activities;
- h) Cost estimates must reflect the planned activities;
- i) The intellectual property regarding the output of funded projects must be regulated in accordance with the "Cooperation Agreement" that will be finalized by the partners of the selected projects;
- j) The duration of the project must not exceed 24 months from the date of award.

2.1 In relation to the additional requirements that Italian applicants must fulfil and to the rules applicable to their dealings with the Italian Ministry of Foreign Affairs and International Cooperation, the applicants are requested to refer to the "*Norme Integrative per la partecipazione Italiana ai Bandi per la raccolta di progetti congiunti e per la rendicontazione*", which are to be taken as part and parcel of the present Call.

2.2 In Italy, for projects involving experiments with animals, the status of ethics approval of the experimental protocol by the competent Ethics Committee must be provided when submitting the proposal. Please note that formal authorization by the competent Ministry of Health is mandatory to start the activities (D.Lgs 26_04/03/2014 and Directive 2010/63 EU). Proof of submission to the institutional OPBA (Organismo Preposto al Benessere degli Animali) is acceptable at the proposal submission stage. Projects involving experiments with human beings must be performed in accordance with the Directive 536/2014/EC. **The Italian coordinator should provide a self-**

declaration of adherence to above cited rules in the Methods section of the proposal.

3. Submission of Project Proposals

3.1 Italian and Israeli applicants must send their Project Proposal, as indicated below. All sections of the Application Form must be completed and the final version of the Proposal must be signed:

- In Italy, by the Legal Representative of the applying entity or company and by the Principal Investigator (PI);
- In Israel by the CEO of the Main Israeli Partner.

If additional participating Institutions are involved, the additional Application Form has to be filled in and signed by the legal Representative(s) of such entity.

3.2 The Italian applicant is required to submit the Project Proposal to the *Ministry of Foreign Affairs and International Cooperation* – Directorate General for Cultural and Economic Promotion and Innovation by June 21st at **17:00** CET exclusively and mandatorily, on penalty of exclusion, by certified electronic mail to the following address: dgsp09.accordoisraele@cert.esteri.it. Project Proposals sent by different means will not be accepted. The Italian applicants must send exclusively the documents as laid down in the “Norme Integrative per la partecipazione Italiana ai Bandi per la raccolta di progetti congiunti di ricerca e per la rendicontazione”, according to the “Check List” (Annex A).

3.3 The Israeli applicant is required to submit the full IIA application by June 21st 2023, **at noon**, in accordance with the Israel Innovation Authority regulations, through an online system following the instructions on the relevant incentive program on the IIA’s website. In addition to the local application, an LOI/MOU and a Bilateral Application Form (BAF) must be submitted by Israeli companies.

3.4 If the Project Proposals are not received by both the Italian and the Israeli Parties, through the procedures and by the dates indicated above, the Project Proposals will not be accepted.

4. Selection procedures

4.1 The Parties will carry out the scientific evaluation of the eligible Project Proposals independently at the national level, to identify a shortlist of projects to be proposed for funding. The “Italian-Israeli Joint Committee” foreseen in Art. 9 of the Agreement will receive the shortlists of the two Parties, and will jointly identify the winning proposals to be financially supported under the Agreement in accordance with the national laws and regulations of both Parties.

4.2 The evaluation criteria are the following:

- a. Novelty of the proposal and possible impact on the industrial activities in terms of technological innovation;
- b. Qualification of the applicants in performing the specific tasks, and added value of the bilateral cooperation between partners;
- c. Relevance of the common activities run together in one or both of the two countries, and degree of involvement of the guest applicant in the hosting country;
- d. Expected economic results from the accomplishment of the project;
- e. Relevance of the proposal to the main strategic objectives in industrial R&D of the respective Italian and Israeli Governments;
- f. Adequacy of the cost estimates with the proposed project plan and expected results;
- g. Capability and resources available to both partners (R&D personnel, infrastructure, finance, marketing, etc.).

4.3 Both Parties can request further information on the provisional budget included in the proposal at any time during the evaluation phase.

4.4 Following selection by the “Italian-Israeli Joint Committee” of the joint projects to be financially supported under the Agreement, the respective Parties in Israel and Italy, (i.e. Italian Ministry of Foreign Affairs and International Cooperation, and Israeli Innovation Authority) will inform the applicants by certified electronic e-mail on the evaluation outcome, the proposed amount of the awarded grant and the related conditions for its settlement, as well as on the rules concerning the definition of the expenses and the expected timing of the scientific and financial reports.

4.5 Before formal acceptance of the grant, the selected Italian and Israeli applicants must jointly sign a “Standard Cooperation Agreement” (annex B) regulating all aspects related to future marketing of the product(s), process or service(s) deriving from the planned R&D activities after completion of the project.

4.6 The selected Italian applicants must send by certified electronic mail to the Ministry of Foreign Affairs and International Cooperation:

- a. A copy of the above mentioned “Standard Cooperation Agreement”;
- b. A formal declaration of acceptance of the grant and of the conditions contained in the letter of assignment sent by MAECI. Should the principal Investigator change during the year, the replacement has to be promptly and formally notified to MAECI for authorization;
- c. Notarial act for the constitution of a temporary consortium, in case one or more Italian partners are involved in the research unit;
- d. A declaration of acceptance of the public grant in accordance with the Commission Regulation (EU) no. 1407/2013 of December 18th 2013 on the application of articles 107 and 108 of the Treaty on the Functioning of the European Union to the “*de minimis*” aid.
- e. Project Identification Code (CUP) assigned to each public investment for public contracts (as required by the Italian Law N. 3/2013);
- f. Affidavit on traceability of financial transactions (as required by the Italian law N. 136/2010).
- g. DURC (Italian Beneficiary’s document of contribution regularity)

After receiving the above-mentioned documents, the Ministry of Foreign Affairs and International Cooperation will send an official letter of confirmation to the Beneficiary.

4.7 The *Israel Innovation Authority* will regulate the relationships with the Israeli applicants according to the national forms and procedures.

5. Funding procedures

5.1 Projects selected within the frame of the present Call will be funded by their respective national and/or regional Authorities in Italy and Israel, in accordance with national laws, rules, regulations and procedures in force. Each one of the selected projects can be financed up to 50% of the documented and eligible costs of research and development.

5.2 In Italy, the contribution assigned by the Ministry of Foreign Affairs and International Cooperation will be paid in two possible modalities:

1. At once, after finalization of the project.
2. Upon request by the applicant, through an advanced payment exclusively under the following terms and conditions:
 - a. One year after formal acceptance of the contribution;
 - b. Upon presenting to MAECI a formal request for advanced payment, within a maximum of 50% of the granted contribution.
 - c. Upon submitting the necessary documentation proving the coherence of the project implemented compared to the project proposal during the first year. Expenses eligible according to the “Norme Integrative” have to be documented for at least 30% of the contribution.

- d. The issue of the financial support is subordinated to submission, by the company, of a bank surety bond corresponding to the amount of the requested advance payment, and with a validity of one year after the project implementation deadline. Any expenses for the amount recovering as well as any further incidental expenses have to be covered by the enterprise. The financial support will be granted only after the final financial report has been received and the project has been positively evaluated.
- e. As required by Art. 5 of the Agreement, in case the product, service or process, as outcome of the project, gives rise to profits, the Italian Partner must repay to MAECI the amount received by means of royalties through the payment of a percentage of 2% of the total revenue collected related to the proceeds of the sales. The total amount can be payed to MAECI also in multiple solutions.

5.3 In Israel:

- a. The support is in the form of a conditional grant amounting generally up to 50% (+ *regional incentives for companies located in a "development zone"*) of the eligible R&D budget.
- b. When a project results in sales of a product, service or process, the financial support must be repaid to the Israel Innovation Authority according to its regulations (in general, royalties are paid at rates beginning at 3% of sales, depending on various criteria. Royalties are payable until 100% of the amount of the grant has been repaid with interest as provided in the applicable regulations).
- c. For further information regarding funding mechanisms of IIA see here:
<https://innovationisrael.org.il/node/4698/rules>

6. Notification of the results

6.1 The Italian Party will inform the applicants of the projects selected by the Italian-Israeli Joint Committee by certified electronic mail. The list of the selected projects will be published also on the website of the Italian Ministry of Foreign Affairs and International Cooperation.

6.2 The Israeli Party will inform the Israeli applicants by email.

7. Further information

ITALY

Ministero degli Affari Esteri e della Cooperazione Internazionale

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