



विज्ञान एवं प्रौद्योगिकी विभाग  
DEPARTMENT OF  
**SCIENCE & TECHNOLOGY**



GLOBAL  
INNOVATION &  
TECHNOLOGY  
ALLIANCE



רשות החדשנות  
Israel Innovation  
Authority

## **CALL FOR PROPOSALS GUIDANCE FOR APPLICANTS**

# **India-Israel Industrial R&D and Technological Innovation Fund (I<sup>4</sup>F)**

Supported by

**Department of Science & Technology (DST),  
Government of India**

**&**

**Israel Innovation Authority (IIA),  
Government of Israel**

**7<sup>th</sup> Call for Proposals (CFP-7) 2021**

**January, 2021**

**India-Israel Industrial R&D and Technological Innovation Fund (I<sup>4</sup>F)  
Call for Proposals – Terms, Conditions & Guidelines for Applications**

**7<sup>th</sup> Call for Proposal (CFP) 2021**

Name of the Programme	<p><b>India-Israel Industrial R&amp;D and Technological Innovation Fund (I<sup>4</sup>F)</b></p> <p>[Between Department of Science &amp; Technology (DST), Government of India and Israel Innovation Authority (IIA), Government of Israel]</p>
Important Dates	<p>Opening of CFP-7: <b>15<sup>th</sup> January, 2021</b></p> <p>Closing of CFP-7: <b>3<sup>rd</sup> May, 2021</b></p>
Who Can Apply?	<p><b>Eligible Indian Project Lead (INPL)</b></p> <p>An Indian company headquartered in India having requisite understanding and capability to undertake R&amp;D activities.</p> <ul style="list-style-type: none"> <li>• The Indian Project Lead (<b>INPL</b>) (i.e. lead company) must be a commercial (for profit) company under the Indian Company Act 1956/2013, which operates in and is headquartered in India.</li> <li>• At least 51% stake of the INPL Company must be owned by Indian citizens.</li> <li>• The INPL should have the required expertise and team capacity to manage the proposed project.</li> <li>• Sole proprietors and partnership firms are not eligible for support under this programme</li> <li>• Companies headquartered and owned outside India and their subsidiaries in India, or vice versa, are not eligible to receive funding from DST/GITA under this programme.</li> <li>• INPL should lead the project from Indian side and if required bring in other Industry Partners or Academic/R&amp;D Institutions as Sub-contractors.</li> </ul> <p><b>Eligible Israeli Applicants</b></p> <p>An Israeli for profit R&amp;D performing company, which is registered, operate in Israel as Project Lead (ISPL), responsible for the Israel application submission, leading the Israeli side of the project and communicating with the Indian Project Lead.</p> <ul style="list-style-type: none"> <li>• The Israeli Project Lead (ISPL) (i.e. lead company) and any other Israeli company that is signed on the Cooperation and Project and Funding Agreement, are subjected to the Israeli Research and Development Law (1984) and to the Israel Innovation Authority Board Guideline number 1.</li> </ul>
Eligible technology sectors	<p>The collaboration aims to promote projects that are innovative and reflecting consumer demands, so that they are market-oriented at the same time focussed on creating a new product or process that will eventually lead to commercialization.</p> <p>On this basis, (CFP-7) 2021 is open to the applied R&amp;D projects in all areas but will prioritise the areas of:</p> <ul style="list-style-type: none"> <li>• Agriculture</li> <li>• Energy</li> <li>• Healthcare</li> <li>• Information &amp; Communication Technologies (ICT)</li> <li>• Water</li> </ul> <p><b>Important Note: Funding for innovative products or technological solutions addressing the challenges posed by the Covid-19 pandemic are also invited to submit the application under the I<sup>4</sup>F fund.</b></p>

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Project funding support	<p>Selected R&amp;D project participants will receive funding from GITA, on behalf of Department of Science &amp; Technology (DST), Government of India, in India and from Israel Innovation Authority, in Israel respectively. Funds will be provided in accordance with the national laws, rules, regulations and procedures established by each organization, and/or each jurisdiction/country.</p> <p><b>Funding for R&amp;D Project Participants in India</b></p> <p>GITA on behalf of the Department of Science &amp; Technology (DST), Government of India, will fund the successful projects, as follows:</p> <ul style="list-style-type: none"><li>DST-GITA will support a range of 0.25 Million USD to 1.25 Million USD per project or 50% of the Indian Project Cost whichever is lower.</li></ul> <p><b>Funding for R&amp;D Project Participants in Israel</b></p> <ul style="list-style-type: none"><li>Innovation Authority will support a range of 0.25 Million USD to 1.25 Million USD per project or 50% of the Israeli Project Cost whichever is lower.</li></ul>
Types of projects to be supported	<p><b>Two types of projects will be considered for program funding:</b></p> <ol style="list-style-type: none"><li>Full-Scale R&amp;D Projects, focused on development of new products, processes or technologies</li><li>Product Adaptation Projects -In addition to R&amp;D projects aimed at the development of new, innovative and R&amp;D-intensive products, companies are also eligible for funding support for projects focused on the adaptation and customization of a product to in the markets e.g. in Israel, India or elsewhere, including but not limited to:<ol style="list-style-type: none"><li>Adaptation of product in consideration of local cultural / technical considerations</li><li>Adaptation to local conditions, such as climate, infrastructure etc.</li><li>Regulatory considerations, particularly for foods and drugs</li><li>Reduction of price to customer by the utilization of local components</li><li>Reduction of price to customer by optimization of specification</li><li>Establishment of beta-sites</li></ol></li></ol>

**Contact Information:**

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**Global Innovation & Technology Alliance (GITA)**

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Department of Science & Technology  
Ministry of Science & Technology  
Government of India

सत्यमेव जयते

רשות החדשנות  
Israel Innovation  
Authority

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# **India-Israel Industrial R&D and Technological Innovation Fund (I<sup>4</sup>F) Call for Proposals – Terms, Conditions & Guidelines for Applications**

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## **1. ABOUT THE PROGRAMME**

I<sup>4</sup>F is cooperation between the **Department of Science and Technology (DST), Government of India**, and **Innovation Authority (IIA), Government of Israel** to promote, facilitate and support joint industrial R&D projects, between companies from India and Israel.

DST and Israel Innovation Authority have jointly created a \$40 Mn USD I<sup>4</sup>F fund with equal contribution from both sides over the period of five years. I<sup>4</sup>F is aimed to promote, facilitate and support joint Industrial R&D between India & Israel which would lead to co-development and commercialization of innovative technologies benefiting both the countries.

The objective of this programme is to respond to the global issues concerning science & technology while developing technologies that can be commercialized and localized within 2 years through joint cooperation between India and Israel.

In India, on behalf of DST, funding and other services will be provided through Global Innovation & Technology Alliance (GITA) and in Israel, funding and other services will be provided through Israel Innovation Authority.

Applicants are required to review the complete application guidelines before developing and submitting a complete proposal.

Please note that the proposal preparation guidelines should be seen as suggestions which will be helpful to applicants in preparing a proposal that addresses the issues on which the evaluation will be based. Applicants can choose to address the suggestions that they believe will strengthen their proposal.

## **2. ABOUT FUNDING & IMPLEMENTING AGENCY**

### **Department of Science & Technology (DST)**

The Department of Science & Technology (DST) was established in May 1971, with the objective of promoting new areas of Science & Technology and to play the role of a nodal department for organising, coordinating and promoting S&T activities in the country. The Department of Science & Technology (DST), Government of India has an important role in building a strong base for Research, Development and Demonstration in India and in addressing national concerns about strengthening science and technology. DST, as a national agency for strengthening the base of Science and Technology in the country has made sincere attempt to address national concerns of India in basic research.

For more information about DST, please visit [www.dst.gov.in](http://www.dst.gov.in)

### **Global Innovation & Technology Alliance (GITA)**

GITA is a “not-for-profit” Public Private Partnership (PPP) company promoted jointly by the Confederation of Indian Industry (CII) with 51% holding and the Technology Development Board (TDB), Department of Science & Technology (DST), Government of India with 49% holding.

It is an innovative mechanism between the Government and Indian industry for attracting investment in technology by industry by mapping technology gaps, evaluating technology offers across the globe, connecting among technology developers, providers, commercializers, and funding last phase of technology development that connects the market and deployment of technology solutions.

For more information about GITA, please visit [www.gita.org.in](http://www.gita.org.in)

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### **Israel Innovation Authority**

The Israel Innovation Authority, responsible for the country's innovation policy, is an independent and impartial public entity that operates for the benefit of the Israeli innovation ecosystem and Israeli economy as a whole.

Its role is to nurture and develop Israeli innovation resources, while creating and strengthening the infrastructure and framework needed to support the entire knowledge industry.

As such, the Israel Innovation Authority advises the government and Parliament ("Knesset") committees regarding innovation policy in Israel and furthermore monitors and analyses 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.

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

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

For more information about Israel Innovation Authority, please visit <https://innovationisrael.org.il>

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## 3. ELIGIBLE TECHNOLOGY SECTORS

The collaboration aims to promote projects that are innovative and reflecting consumer demands, so that they are market-oriented at the same time focussed on creating a new product or process that will eventually lead to commercialization.

On this basis, (CFP-7) 2021 is open to the applied R&D projects in all areas but will prioritise the areas of:

- **Agriculture**
- **Energy**
- **Healthcare**
- **Information & Communication Technologies (ICT)**
- **Water**
- **Important Note: Funding for innovative products or technological solutions addressing the challenges posed by the Covid-19 pandemic are also invited to submit the application under the I4F fund.**

The CFP is open to projects in the above sectors, based on the merit that includes Science & Technology (S&T) development leading to commercial success, social good and benefit to both countries.

## 4. ELIGIBILITY CRITERIA

At least two companies undertaking science & technology, jointly from both the countries should express a desire to cooperate in the research and development of a new product or a new process.

Each proposal must include as a minimum:

1. A for profit R&D performing **Indian** company registered under the Indian Company Act 1956/2013 as **Indian Project Lead (INPL)**, responsible for the Indian application submission, leading the Indian part of the project and communicating with the Israeli Project Lead and
2. An **Israeli** for profit R&D performing company, which is registered, operates in Israel as **Israeli Project Lead (ISPL)**, responsible for the Israel application submission, leading the Israeli side of the project and communicating with the Indian Project Lead.

*Important Notes:*

- Collaborations must be business-led from both sides.
- Sub-contractors (i.e. universities, research institutions) are eligible to participate as partner as part of bi-lateral Indo-Israeli consortium for the project as long as they have background IP that will be used in the joint project or if they get ownership of the new developed Product

### Applicants from Israel

- The Israeli Project Lead (ISPL) (i.e. lead company) and any other Israeli company that is signed on the Cooperation and Project and Funding Agreement, are subjected to the Israeli Research and Development Law (1984) and to the Israel Innovation Authority Board Guideline number 1.

### Applicants from India

An Indian company headquartered in India having requisite understanding and capability to undertake R&D activities. Academic institutions, Research entities and other R&D institutes having headquarter

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and operational base in India are strongly encouraged to participate in the projects as Intellectual Contractors/Partners with INPL (as appropriate/agreed with INPL.)

- The Indian Project Lead (INPL) (i.e. lead company) must be a commercial (for profit) company under the Indian Company Act 1956/2013, which operates in and is headquartered in India.
- At least 51% stake of the INPL Company must be owned by Indian citizens.
- The INPL should have the required expertise and team capacity to manage the proposed project.
- Sole proprietors and partnership firms are not eligible for support under this programme
- Companies headquartered and owned outside India and their subsidiaries in India, or vice versa, are not eligible to receive funding from DST/GITA under this programme.
- INPL should lead the project from Indian side and if required bring in other Industry Partners or Academic/R&D Institutions as Sub-contractors.

*Preferences will be given to:*

- Indian companies having partnership with government-funded Indian academic and R&D institutions.
- Indian companies having in-house R&D Centre which is recognised by the Department of Scientific and Industrial Research (DSIR), Government of India. For details, please refer to <http://www.dsir.gov.in/forms/irdpp/Application%20for%20R&D.pdf>
- Companies that fall under the Micro, Small and Medium Enterprise (MSME) category, as defined by the Government of India. For definition of MSME, please refer to [http://www.dcmsme.gov.in/ssiindia/defination\\_msme.htm](http://www.dcmsme.gov.in/ssiindia/defination_msme.htm)

### **5. SELECTION CRITERIA**

When evaluating projects GITA and the Israel Innovation Authority will take into consideration the following criteria in preparing their recommendations:

- The Product and the Technology –
  - What is the extent of technological innovation in the product to be developed?
  - Is there a Proof of Concept / Maturity of the Concept Proposed available?
  - Is the technological approach sound?
  - What are the technological challenges and assessment of the technological risks?
  - What competing technologies exist and what is their relative disadvantage?
  - What is the cost of technology and acceptability of the proposed solution by the partners?
- The cooperation level between the partners-
  - Synergy between the companies, complementary technological abilities,
  - Project team capability of partners in reference to background work or projects done,
  - Tasks' balance between the partners, benefits of each partners from the joint collaboration,
  - The cooperation as a key factor to develop a product/technology with a substantial added value to the relevant markets, to what extent each partner benefits from the each other existing IP, in what way the partnership is strategic for the projects' partners
  - [Note: minimum balance or partner contribution of each side in-terms of effort, activity and resource should not be less than 40%]
- The Budget –
  - Is it realistic? Does it contain unnecessary expenses or does it lack others that are crucial?
  - What is the financial health of project partners (clear indication of source of funds to be brought-in by partners, detailed project budget with justification etc.)?
- The Market –
  - Is the estimate of the market size, market share and commercial potential realistic?
  - Who are or will be the main competitors in this market?



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- How does the proposed solution answer a need in India/Israel/target countries?
- Capabilities of the Companies –
  - The qualification of the development teams and their ability to successfully carry out the development objectives. The resources available to carry out the marketing/sales and sales support responsibilities.
- Benefits –
  - What benefits is the project expected to yield to both companies and to the Israeli and Indian national economies, societies and environment.
  - What are the possibilities of generating Intellectual Property (IP) and there after Commercialisation potential?

In addition, the Indian and Israeli applicants are requested to clearly demonstrate their capabilities on the following in the application form for recommendation:

- 1) Applicants to disclose the Prior Art/Background IP including the background patents in the project area to reduce disputes on Intellectual Property holding.

Any team proposing an R&D project that addresses the above criteria is eligible to apply to this CFP in accordance with the national laws, rules regulations and procedures of their respective country.

### **6. R&D PROJECT FUNDING – FINANCIAL SUPPORT TO SUCCESSFUL APPLICANTS**

Selected R&D project participants will receive funding from GITA, on behalf of Department of Science & Technology (DST), Government of India, in India and from Israel Innovation Authority in Israel respectively. Funds will be provided in accordance with the national laws, rules, regulations and procedures established by each organization, and/or each jurisdiction/country.

Although the individual type and value of individual contributions allocated to India-Israel project may vary, each bilateral project must highlight the total contribution from each participating country. Total contribution may be defined as the combined value of cash, human resource effort, services and/or equipment that each country invests in an R&D project.

#### **Funding for R&D Project Participants in India**

GITA on behalf of the Department of Science & Technology (DST), Government of India, will fund the successful projects, as follows:

DST-GITA will support a range of 0.25 Million USD to 1.25 Million USD per project or 50% of the Indian Project Cost whichever is lower.

- DST through GITA shall provide the funding in the following proportion to the Indian Applicants.
- These are indicative figures and are subject to change depending on the type of Project and recommendation by the Joint Project Evaluation Committee:
  1. Equipment 40%
  2. Manpower 30%
  3. Consumables 20%
  4. Travel/Others 10%
  5. Joint Commercialisation cost (USD 30,000)

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INPL and ISPL shall each be eligible for Joint Commercialization cost up to USD 30,000 per project based on the matching fund from Industry. This cost needs to be reflected in the budget sheet.

Indian applicants will be required to open a separate No-Lien bank account for managing the project funding.

### **Funding for R&D Project Participants in Israel**

- Innovation Authority will support a range of 0.25 Million USD to 1.25 Million USD per project or 50% of the Israeli Project Cost whichever is lower.

## **7. APPLICATION PROCESS**

The I4F common applications are to be submitted following these criteria and in accordance with the national laws, rules, regulations and procedures in effect:

- a) At least two science and technology companies from the respective countries should express a desire to cooperate in the research and development of a new product or a new process.
- b) The project may involve more than one company from each side; academic/research entities are eligible to join as sub-contractors or as part of a bi-lateral Indo-Israeli consortium.
- c) The product should be technologically innovative and should have commercial potential. The joint industrial R&D project should aim at the development of products/processes leading to commercialization in the global market.
- d) The project partners should agree in advance on the IP rights and on the commercialization strategy of the product or process.
- e) The project should demonstrate the contribution of the participants from both countries
- f) The project must be balanced between participants and significant to both partners (no less than 40%-60%)
- g) The project timeframe is limited to 2 (two) years.
- h) A minimum of 50% of the total project costs must be incurred by the business partners (Israel and India).
- i) Although it is not mandatory, projects that engage an end-user/first customer are strongly encouraged in either side of the consortium

Applications meeting all basic criteria of the CFP are invited to submit full project proposals using the I<sup>4</sup>F common forms to both Implementing Organizations simultaneously within the deadline of the particular CFP's period. Applications submitted after the deadline of the call period would be considered eligible for the next call period. The proposal's application must be signed following the CFP instructions.

**The Israeli partner** is required to submit [I<sup>4</sup>F application forms](#) in accordance with the Israel Innovation Authority regulations, through the official Israel Innovation Authority website's [online system](#). <https://my.innovationisrael.org.il/messages>

**The Indian partner** is required to submit I<sup>4</sup>F application forms to DST/GITA website's through an online system at [www.gita.org.in](http://www.gita.org.in) .

**Only online mode of submission will be accepted**

## **8. IMPORTANT DATES AND DEADLINES**

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Opening of the Call for Proposals	15 <sup>th</sup> January, 2021
Closing of the Call for Proposals	31 <sup>st</sup> May, 2021
Anticipated announcement date of Call for Proposal results	August 2021 (Tentative)

*Note: The above timeline/schedule is indicative only and is subject to change.*

**Important Note:**

***Please do not leave your submission to the last minute.***

If any technical difficulties arise or if you identify any errors in your submission, we will not be able to grant an extension to the above deadlines.

It is your responsibility to ensure you follow the competition guidance rules and in doing so allow sufficient time to complete all of the competition requirements described in this document.

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## 9. MATCHMAKING SUPPORT

### *In India: GITA's Matchmaking Tool*

GITA has developed a web platform for online Matchmaking process to enable applicants to find a suitable project partner.

- Please visit the page <https://www.gita.org.in/FindAPartner.aspx>
- Interested applicants need to submit a matchmaking profile on this platform, providing the following information:
  - Brief description of the organisation
  - Core-technical profile of the projects
  - Core-technical profile of the desired potential partner
  - Upload presentation on project/company, if any
  - *Non-registered applicants/users are expected to register the organisations prior to submitting the Matchmaking Profile through simple registration process from provided link*
- You can access the database of registered profiles and identify potential R&D project partners for your project. Upon identification of suitable project partner, you connect with them directly through portal. Please note – your Matchmaking profile listing may take some time for internal review and hosting on Matchmaking page.
- Please submit separate Matchmaking Profile for each project in case, you have more than one project.
- Applicants may tag their profile as Confidential in case they don't want to publish on GITA public portal, such profiles will be referred by GITA team and its partners for suggesting suitable partner.

## 10. PROJECT COST GUIDELINES

I<sup>4</sup>F funding is designed to support the company's development cost up to the point of product commercial readiness. Eligible project costs are R&D costs directly related to the project which will be incurred by the applicant company during the R&D phase. I<sup>4</sup>F is unable to recognize project costs which are incurred before the official project start date. The start date for projects supported under all I<sup>4</sup>F calls for proposals from CFP 2 onward will be determined by the date requested by the companies in the application form submitted but no earlier than the date of approval by Governing Board. Each applicant company is required to complete its respective proposed project budget form. The proposed project budgets will be qualified for evaluation. Project costs that I<sup>4</sup>F will consider to be eligible for cost sharing are: direct R&D manpower excluding top-level management who are not directly involved in R&D activities related to this project, consumable materials, equipment, consulting services, subcontractors, project associated travel (domestic and international), outlays to meet regulatory requirements, IPR filing, and other expenses that are directly related to the joint R&D project. I<sup>4</sup>F recognizes the procurement, usage and depreciation costs according to the rules and regulations of each funding entity.

- **Exchange Rates**

Disbursements will be in local currencies. The applicant company is required to present its proposed project budget in local currency, i.e. Indian Rupee (INR) for the Indian company or Israeli New Shekel (ILS) for the Israeli company, AND in US dollars (USD).

The following exchange rates are to be considered:

1	USD	1	USD
= 63.46	INR	= 3.60	NIS

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- **Cost Categories (categories I. to VII. are related to R&D costs)**

## **I) DIRECT LABOR**

### **Definitions of Eligible Direct Labor**

Permanent/Contractual personnel directly related and relevant to the project that are based in India for the Indian company, and based in Israel for the Israeli company. The R&D personnel may be directly employed or on contract and receive the compensation from the applicant company. The R&D personnel should hold relevant technical qualification and experience

### **Conditions**

The rules of salary expenses, including overhead and administrative expenses, will apply according to the accepted practice in each country

R&D personnel who are foreigners working in India or Israel must hold valid work permits.

### **Not Supported as Direct Labor**

Temporary R&D personnel (to be classified under V. Subcontractors & Consultants) R&D personnel who are employed and paid by a related company, subsidiary, overseas branch, 3<sup>rd</sup> party, etc.

## **II) EQUIPMENT / SOFTWARE DEPRECIATION**

### **Definitions of Eligible Equipment / Software Depreciation**

The usage cost in value of the new equipment or software deployed during the project and the purchase of equipment/software which are required for and relevant to the project shall be supported according to DST/GITA and Israel Innovation Authority policies.

### **Not Supported as Depreciation Cost**

Miscellaneous cost such as VAT/GST, bank charges, shipping, delivery, setting up, servicing, etc.

Full purchase cost of equipment and software.

## **III) EXPENDABLE MATERIALS & SUPPLIES**

### **Definition of Eligible Expendable Materials & Supplies**

Off the shelf consumables which are used during the Project and are not reusable.

Items which require to be custom-made by 3<sup>rd</sup> parties if required for the project.

### **Condition**

The applicant company supplying consumables to its Project's partner during the Project should not charge the consumables cost to the partner's proposed project budget. The applicant company should include such cost in its own proposed Project budget

### **Not Supported as Expendable Materials & Supplies Cost**

Office supplies, rental, utilities, etc.

Miscellaneous cost such as VAT/GST, bank charges, shipping, delivery, etc.

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### **IV) TRAVEL**

Definitions of Eligible Travel Cost

Cost incurred during trips between India, Israel and any other country that the project requires as well as internal travel cost in these countries

#### **Conditions**

Only economy class travel (tickets) are eligible for reimbursement.

Only trips made by R&D personnel listed in the approved project budget are recognized

Trips should be of R&D nature and directly related to the project

The applicant company's R&D personnel, who travel to the project partner's country, should not charge their travel costs to the partner's proposed project budget. The applicant company should include such costs in its own proposed project budget

#### **Not Supported as Travel Cost**

Passport and visa application, travel insurance, etc.

Trips to countries other than India and Israel.

### **V) SUBCONTRACTORS & CONSULTANTS**

#### **Definition of Eligible Subcontractors & Consultants**

3<sup>rd</sup> parties which are engaged by the applicant company to assist in the engineering and technical aspect of the project Consultants who are engaged by the applicant company to develop a marketing/commercialization plan

#### **Conditions**

I<sup>4</sup>F will qualify the applicant company's proposed project budget. The total outsourcing cost is recognized at maximum 30% of the qualified cost before I<sup>4</sup>F includes the additional overhead and general & admin costs.

The applicant company's contractual agreement with the subcontractors or consultants shall be submitted to I<sup>4</sup>F upon request. The contractual agreement must comply with these Guidelines and in particular the provisions of the IPR Annex.

The applicant company engaging its related company or subsidiary as subcontractor or consultant shall be charged at cost

The applicant company does not possess the expertise of the subcontractor or consultant. Legal consultation related to the project, other than the dispute or arbitration.

#### **Not Supported as Subcontractors & Consultants**

3<sup>rd</sup> parties which are engaged to carry out mass production, business/legal consultation, etc.

The applicant company's project partner

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## VI) CERTIFICATIONS

### Definition of Eligible Certifications

Regulatory activities and standards certifications related to the project which are mandatory before the proposed product or technology can be commercialized

### Supported as Certifications Cost

Patent applications

### Not Supported as Certifications Cost

Tests done by 3<sup>rd</sup> parties which are not mandatory for the commercialization of the proposed product or technology (to be classified under V. Subcontractors & Consultants)

## VII) JOINT COMMERCIALIZATION

### Definition of Eligible Joint Commercialization Cost

Any further certifications or testing required for commercialization based on a detailed report.

Joint participation in trade exhibitions, joint presentation at conferences, joint marketing collaterals and joint road shows in Israel/India or other third countries

Examples of joint commercialization costs: Rental of exhibition booth space, conference registration fee, printing of brochures/posters, travel cost related to joint commercialization activities.

### Conditions

The allocation of USD 30,000 for joint commercialization activities can be broadly detailed in the initial budget annex submitted with the application. However, in cases where the utilization of the USD 30,000 is not detailed in the initial budget, it may be submitted during the project itself as long as it is submitted to fund managers 2 months prior to the activity itself. Utilization of joint commercialisation budget is subject to approval of I<sup>4</sup>F Co-Managers. Changes in commercialization budget allocations can also be made via change form subject to approval.

Both the applicant company and its Project partner must share the commercialization cost, hence, the commercialization cost must be included in both companies' budget forms

**Note:** please refer to Annexure 1: General Guidelines on IPR and Commercialisation along with this document for details.

### Not Supported as Joint Commercialization Cost

Commercialization activities which are not carried out jointly by the applicant company and its project partner

Commercialization activities which are not related to the proposed product or technology

## **11. EVALUATION AND SELECTION OF R&D PROJECTS**

### **Evaluation Process**

- Application is submitted to the DST/GITA online system by the Indian partner/consortium and to Israeli Innovation Authority website.
- Upon receiving applications forms, each fund's Co-Manager assigns for each R&D Project evaluators team on the basis of technological, commercial and financial parameters.
- Israel Innovation Authority team will include a relevant professional expert selected based upon the nature of the project submitted and a financial expert to evaluate the applying company's financial capability and to conduct a full due diligence.
- The projects from Indian side will be evaluated by Subject Matter Experts in two phase evaluation mechanism along with the Techno-Financial and Physical Onsite Due Diligence, if required. Applicant may also be requested to make a Techno-Financial presentation to before the evaluation committee, if required.
- The review of the project proposal will be conducted according to rigorous standards, based on the project criteria and requirements specified in the CFP application form.
- The Evaluator reviews the full project proposal and conducts an on-site evaluation. The evaluator can ask the company for supplementary material if needed.
- The financial check of the companies are conducted in parallel.
- The evaluation results will be presented to the Governing Board where the final decision on the approved projects will be taken.
- The Board's decision will be conveyed in email to the Indian and Israeli Project Applicants within one business week after the Board's meeting. If funding has been approved, the applicants will have up to 3 (three) months to materialize this approval by signing with each other Cooperation and Project Funding Agreement (CPFA). This agreement must be signed the CEO of the Israeli company, and the CEO of the Indian company.
- Any clarification or agreement modification required by the companies shall be normally addressed by DST/GITA within 15 working days from the date of request for change from the company subject to confirmation by the INPL on approved changes. However, this timeline will be extended up to maximum of 2 (two) months in case of complex modification in agreement which requires change in Guidelines subject to approval of the INPL on approved changes.
- In case the agreement is not submitted by the applicants within the above timeframe, I<sup>4</sup>F may decide to cancel the project.

## **12. RELEASE OF FUNDS AND ROYALTY PAYMENT**

I<sup>4</sup>F will cost-share in the joint development by supporting approved Applicants through a conditional grant totalling 50% of the Total Joint Project Budget, or another percentage as determined by the Governing Board. Each Project Applicant directly receives the portion of the total grant that is relative to its share in the budget.

The Funds granted shall be disbursed in combination of advance and reimbursement for the cost already incurred on proportionate basis to the Indian and Israeli Project Applicants, and the Consortium Partners, if any, at periodic intervals (35% as advance payment and a quarterly payment starting from 6 months after the Project's starting date on submission of requisite documents).

**Repayment of Conditional Grant** - Repayment of Conditional Grant will be based on the total incomes resulting from the Product developed in the joint project, at a rate of no less than 2% and no more than 5% per year, until the conditional grant is fully repaid. The Indian Project Partners/ Consortium will repay I<sup>4</sup>F via GITA, on behalf of DST, while the Israeli Project Partners/ Consortium will repay I<sup>4</sup>F via the Israel Innovation Authority. The period of the recovery of the grant amount will be



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maximum of fifteen (15) years from the date of release the first instalment or else ten (10) years post commercialization, whichever is less.

13. **Commercialization** - The cooling period will be 2 (two) years, subject to maximum of 5 (five) years from the date of release of first installment.

### 14. Termination of Conditional Grant Agreement

In case any of the companies (from either side) shall decide to terminate the project before completion, the following process should be initiated:

- 1) Company should notify the GITA & counterpart agency in writing (digitally), with a copy to the project partner, of their wish to terminate the project with a detailed explanation for the termination request.
- 2) A mutual call between the GITA, counterpart agency and the project partners shall be initiated in order to better understand the status of the project and partnership. Alternatively, GITA & counterpart agency shall individually speak with the companies separately and provide a summary of the conversation to the each other.
- 3) An official mutual letter from GITA and counterpart agency shall be sent within 14 days from the notification date to the project partners requesting them to submit a mutual termination agreement signed by both project partners within 3 (three) months. This is a letter outlining both sides readiness to forego the project, understanding the terms under which they are severing ties.
- 4) Simultaneously, a technical and financial evaluation of both partners shall be initiated by the GITA & counterpart agency within 14 days from the notification date in order to understand what amount of R&D was successfully completed, whether the funds received were used appropriately, whether the project partners worked together in an efficient manner, and whether the termination request is legitimate. This evaluation should be completed within 3 (three) months.
- 5) Only once the evaluation is completed and the required documents are received, recommendations from GITA & counterpart agency shall be presented to Joint Committee for final project closure decision. The decision of refund or waiver of fund already disbursed to the companies will be taken finally by Joint Committee mutually.

### 15. KEY DOCUMENTS NEEDED (For Indian Applications)

Stage	Documents
Application Form Submission Stage	<ol style="list-style-type: none"> <li>1. Covering letter</li> <li>2. Completed Full Project Proposal in Application Form along with all annexures (signed and stamped by Authorized signatory)</li> <li>3. Presentation for Evaluation Committee Meeting – add photographs in PPT</li> <li>4. Memorandum of Understanding (MoU) between All Consortium Partners. This MoU should basically cover the following points: <ul style="list-style-type: none"> <li>• Percentage sharing of IP Rights on new product/process/knowledge being developed/ created/invented during this collaborative R&amp;D Process.</li> <li>• Background IP's of the partnership (If Any) to be used for this project scope. <b>Note:</b> please refer to Annexure 1: General Guidelines on IPR and Commercialisation along with this document for details.</li> <li>• Probable/possible market for the new product/process/knowledge &amp; rights to manufacture/License in the respective market for the period of Time (time span)</li> <li>• % sharing of Royalty</li> <li>• Dispute and arbitration clause</li> <li>• Exclusivity and Non-Exclusivity rights, if any</li> <li>• Duration of this agreement in force</li> </ul> </li> <li>5. Registration Certificate of all project partners, including</li> </ol>

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	<p>6. Academia/R&amp;D Labs, issued by competent authority In case of in-house R&amp;D Centres, all relevant certificates from stakeholders, competent authority relevant for in-house R&amp;D, Defence Manufacturing &amp; production should be submitted.</p> <p>7. Audited Annual Reports (including Income Tax Return, Balance Sheet, and Profit &amp; Loss Account &amp; Auditor's Reports) of all Consortium partners for the last three Financial Years.</p> <p>8. Know Your Customer (KYC) documents of all Consortium partner(s). KYC means Identity &amp; Address proof of the organization which includes Company PAN Card, Electricity Bill, etc.)</p> <p>9. Self-Declaration of Applicant on Company letterhead, signed by MD/CEO/Company Secretary, as all Statutory Norms are compiled by the Applicant till date.</p> <p>10. Share Holding Patter of the Company (highlighting the Foreign Investment, if any)</p> <p>11. Copy of all relevant Certification like CMMI, ISO, etc. if any</p>
Agreement Signing Stage	All successful project applicants (in India) will be informed before the agreement signing stage about the requisite documents to be submitted during the Agreement Signing stage.

## 16. RESPONSIBILITIES AFTER PROPOSAL HAS BEEN APPROVED

After the proposal has been approved, the Project Leads and project partners shall observe national rules for progress reports and report adherence to the project plan. This includes technical and financial reporting to GITA and IIA, respectively.

Representatives from all project partners must be able to adhere to a possible mid-term evaluation, to be conducted by GITA and IIA.

After completion of the project, the partners shall promptly submit a final report to GITA as well as IIA respectively. This report shall cover technical achievements as well as financial details. Special focus should be put on the impact of the products/services developed, its exploitation plan and go to market strategy.

## 15. CONTACT INFORMATION

### INDIA:

### ISRAEL:

<p><b>Ms Deepanwita Mukherjee</b> Global Innovation &amp; Technology Alliance (GITA) <a href="http://www.gita.org.in">www.gita.org.in</a> Email: <a href="mailto:deepanwita.mukherjee@gita.org.in">deepanwita.mukherjee@gita.org.in</a></p>	<p><b>Ms. Marina Lubanov</b> Israel Innovation Authority (IIA) <a href="http://www.innovationisrael.org.il">www.innovationisrael.org.il</a> Email: <a href="mailto:Marina.Lubanov@innovationisrael.org.il">Marina.Lubanov@innovationisrael.org.il</a> Phone : +972-52-7250202</p>
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**Annexure 1: General Guidelines on IPR and Commercialisation**

**Intellectual Property Rights (IPR) & Commercialization Plan from the Project**

The IPR agreement shall include the following:

- (i) The partner/s to a project from the India and the partner/s to the project from the State of Israel (each the "Party" and collectively the "Parties") will ensure appropriate protection of Intellectual Property Rights generated from cooperation pursuant to MOU, consistent with their respective laws, rules and regulations and multilateral agreements to which both Parties are party to.
- (ii) Each Party is and shall remain owner of its Background IP. For the purpose of these guidelines "Background IP" shall mean (a) the intellectual property rights of a Party that is owned or controlled by that Party prior to the execution of the cooperation agreement, or (b) created by a Party outside the scope of the MOU or without use or reliance on the confidential information or intellectual property rights of the other Party, as evidenced by written records.
- (iii) Access rights to background IP of one Party may be granted to the other Party only to the extent necessary for the execution and during term of the joint project.
- (iv) Ownership and rights to Foreground IP will be agreed upon by the Parties mutually. For the purpose of these guidelines, "Foreground IP" shall mean any invention conceived and reduced to practice, or know-how generated, solely by employees, agents, or independent contractors of a Party as a result of performing the activities under the cooperation agreement.
- (v) The IPR agreement should expressly reflect the contribution of each Party in the creation of the Foreground IP. Status of IP creation and division between the Project partners should be duly recorded in Mid Term and Final review Report and submitted to the respective implementing agency.
- (vi) Joint IP rights will be applicable only when both Parties have an inventive contribution to Foreground IP and when the parties do not agree to divide the ownership of Foreground IP according to relevant technological fields. The Parties shall not assign any rights and obligations arising out of the joint IPR generated to inventions/activities carried out under the MOU to any third Party without consent of the other Party, unless such joint IPR is in a different field than the field of the other Party and as further elaborated in the relevant cooperation agreement.

Commercialization:

- (i) In case of Joint IP under this MOU both Indian and Israeli parties will apply as co-applicants, subject to any respective field of use agreed upon, if applicable, for the protection of intellectual property rights subject to joint rights of both the Parties in accordance with the terms and conditions of the cooperation agreement. The Israeli and Indian Parties shall agree in advance on the IP rights and on the ownership, management and commercialization strategy of the product or process prior to the creation of any Foreground IP. The jointly developed IPR must have technological innovation value. Subject to terms and conditions aforementioned, Both Parties shall possess intellectual property rights to the technology, developed under the Joint IPR, in accordance with the principals of these guidelines.
- (ii) The relationship between the Parties must be clearly defined, including ownership of intellectual property rights for the technology proposed to be developed and commercialized. Therefore, partners must sign a formal company-company business agreement prior to the start of the Project to address issues relating to IP ownership, license rights, manufacturing rights, marketing responsibilities, ownership of technology, benefits to each Applicant during commercialization, as well as repayment to Government, if applicable.
- (iii) The Parties shall declare that to the best of their knowledge and belief, that the use of the Background IP or Foreground IP in connection with the cooperation agreement does not

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infringe any third party's valid patent right/intellectual Property rights. The validation and verification in context of the project, is to be carried out with much sensitivity and precaution by Parties to avoid all kinds of infringements rights. The Parties will be jointly responsible for the Joint IP and solely responsible on Background IP and/or Foreground IP individually owned for any kind of legal implications emanating from infringement by them, and as set forth in the cooperation agreement.

- (iv) The Party/Parties from the State of Israel will sign a separate agreement with the Israeli National Innovation Authority and The Government of the State of Israel while the Party/Parties from India will sign a separate agreement with DST/GITA.
- (v) In case Indian and /or Israeli company outsource the commercialization/dispose of Intellectual property rights of the product/process /technology developed in the project, the liability to pay the royalty and/or any other payment with regards to terms & conditions of the grant agreement will lie solely on the INPL/ISPL (as the case may be), till the time the agreed royalty amount/amount is paid.
- (vi) Must provide an accurate and concrete commercial plan to include detailed action items such as, but not limited to, the following:
  - i. List of target clients
  - ii. Marketing strategy or plan
  - iii. Sales forecast
  - iv. Schedule for product launching
  - v. Potential challenges in penetrating the market

### Confidential Information:

Subject to the respective applicable laws, regulations, rules, procedures, mechanisms programs or applicable in each state or of the Parties, as applicable or determined by the Innovation Authority or Gita:

- (i) All information and documents to be exchanged pursuant to the Memorandum of Understanding will be kept confidential by the Parties and will be used subject to such terms as each Party may specify. The Parties will not use the information for purposes other than that specified without the prior written consent of the other Party. The Parties shall set forth the exact terms and conditions for the protection of confidential Information under the cooperation agreement.
- (ii) All Confidential Information shall remain the exclusive property of the disclosing Party. The Parties agree that this agreement and the disclosure of the Confidential Information do not grant or imply any license, interest or right to the Recipient in respect to any intellectual property right of the other Party.
- (iii) Unpublished information, whether oral, in writing or otherwise, discovered or conceived by the scientists or technicians and exchanged under the provisions of this MOU will not be transmitted to a third party, unless otherwise agreed in writing by the Parties.

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