



CIIRDF – A Unique Model of Bilateral Technology Collaboration

CIIRDF facilitates joint technology development between companies in Canada and Israel. It adds value and technological capacity to all partners, and enables the commercialization of new products and services. To achieve these objectives, CIIRDF:

- Promotes the benefits of Canada-Israel R&D collaboration;
- Offers a matchmaking service that brings together Canadian and Israeli companies seeking R&D partners; and
- Provides funding in support of bilateral R&D projects with strong science, and the best potential to add commercial value to both companies.

Established in 1994 under a formal mandate from the Government of Canada and the State of Israel, CIIRDF is connected institutionally with Israel's National Technology Innovation Authority or NTIA (the former Office of the Chief Scientist in Israel's Ministry of Economy). CIIRDF-funded projects cross many scientific disciplines, technologies and industrial sectors. These include biotechnology, agriculture, information and communications technologies, automotive, natural resource management, public safety and aerospace.

With equal contributions from the Canadian and Israeli governments, CIIRDF offers partnership services to companies in Canada and Israel at no cost. With technology evaluation specialists on the ground in each

country, CIIRDF provides financial support for R&D projects, assuming reasonable potential for commercial value that is commensurate with the risk. CIIRDF does not take an equity position or claim any intellectual property rights in jointly developed technologies. CIIRDF-funded companies are required to repay the contribution should the R&D project result in the specific product or service envisaged in the original proposal. If the project does not lead to revenue generation, repayment to CIIRDF is not required, even though the companies have derived significant value from the collaboration. This is the case with many CIIRDF-supported projects.

Recognized as one of the most successful partnership models of its kind, CIIRDF-supported R&D partnerships have generated a wealth of direct and indirect economic benefits for both nations. Based on conservative data provided directly by participating companies, CIIRDF-enabled technology development projects have generated commercial value to the Canadian and Israeli economies that far exceeds the original grant investment. While the exact amount solely attributable to the CIIRDF effort is difficult to quantify, the value derived by the companies is clearly presented in this report. This value validates the basic assumptions of the Canadian and Israeli governments: that technology partnerships benefit both nations, while reinforcing bilateral economic and overall relations.

"Our association with CIIRDF began on a pilot project aimed at adapting Israeli technology on unmanned air vehicles in Canada's resource sector. Since then, Israel Aerospace Industries has built important and mutually beneficial business and technology relations with a number of Canadian firms, and has also invested in bilateral projects supported by CIIRDF. We have gained much value from these activities and continue to benefit from CIIRDF. Most recently, CIIRDF has provided us with excellent visibility on technological applications in Canada's energy sector."

Leah Boehm, Chief Scientist, Israel Aerospace Industries



CIIRDF has provided \$36 million in grants to support bilateral R&D projects that generated hundreds of millions of dollars in economic value for participating Canadian and Israeli companies.

Why Canada and Israel?

Canada and Israel enjoy strong bilateral relations that span more than 60 years. Originally founded on political and cultural attributes, CIIRDF was designed to add an economic dimension to this relationship. It builds on complementary strengths in science and industry, establishing a solid foundation for R&D partnerships.

These include:

- A world-class science, technology and research base;
- A highly educated workforce and multilingual population with political, economic, cultural, historical and business ties to many nations around the world;
- Well established people-to-people linkages; there are approximately 20,000 Canadian citizens living in Israel and many Canadians have family in Israel; the Canadian Jewish community, which stands at around 350,000, acts as an important bridge between Canada and Israel;
- A strong and long-standing trade relationship; the 1997 Canada-Israel Free Trade Agreement (CIFTA) propelled bilateral merchandise trade between the two countries to \$1.6 billion in 2014¹; and
- Many common values as developed, modern and democratic nations including: a commitment to knowledge creation; a strategic approach to innovation; and rules-based governance and decision-making.

Delivering Results

CIIRDF enables Canadian and Israeli firms to combine complementary technologies, expertise and other resources for the development of new products and services. This delivers clear benefit to both economies as the emerging innovations are procured by customers in markets outside of Canada and Israel. This underscores how industry-led bilateral partnerships stimulate commercial activity, open new markets, and increase trade and exports.

In this report, Canadian and Israeli firms attest that CIIRDF-supported technology partnerships have positioned their companies in global markets. These technology partnerships do not simply enable the creation of a new product or two. They provide firms with a sustainable competitive edge, and position them for long-term opportunity in new markets. This is one of the most prominent facets of the CIIRDF value proposition and track record. Perhaps most impressive: CIIRDF has achieved these results and exceptional project quality by leveraging a modest \$1 million per year from both governments, as well as additional regional and sectoral programs. As such, CIIRDF delivered a total program valued at more than \$20 million from 2013 to 2016. Although the outcomes of each individual project constitute success, it is the summation of these results that speaks to the power of bilateral R&D partnerships. The success stories featured in this report provide examples of the economic value derived from this investment in terms of company valuation, product sales, jobs created and other metrics. These benefits are equally enjoyed by Canadian and Israeli partners, a clear measure of the success of the CIIRDF program and its delivery model. This impact is validated by testimonials from CIIRDF-supported industry leaders, our success story collection and statements from other firms – all of which underpin this impact report.

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