



THE CANADA-ISRAEL INDUSTRIAL R&D PROGRAM

2018 CALL FOR PROPOSALS

INFORMATION HANDBOOK

Rev. 6.0

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I – GENERAL GUIDELINES

A: OVERALL OBJECTIVES

As mandated in the Agreement on Bilateral Cooperation in Industrial Research and Development signed between the Governments of Canada and Israel, CIIRDF aims to strengthen bilateral cooperation in industrial R&D activities for peaceful purposes. CIIRDF promotes and enhances all forms of industrial sector cooperation in accordance with their respective legislation, as well as their respective economic and development policies and priorities.

B: THE VALUE OF THE PROJECTS

CIIRDF provides funding for joint research and development projects undertaken by private sector companies from Canada and Israel. CIIRDF assists the companies by awarding contributions of up to 50% of the eligible R&D project costs; to a maximum of CDN\$ 800,000 per project. The awarded amount will be divided between two co-applicants (Canadian and Israeli companies) based on the relative share of their contribution to the total project budget.

Example:

| | Project Budget | CIIRDF Award |
|------------------|-----------------------|---------------------|
| Canada Co | \$800,000 | \$400,000 |
| Israel Co | \$600,000 | \$300,000 |
| Total | \$1,400,000 | \$700,000 |

Canadian companies that apply for funding also have the opportunity to leverage academic expertise and involve students jointly with NSERC. Canadian university and college researchers participating in the CIIRDF-funded projects may apply for NSERC Collaborative R&D (CRD) and/or Applied R&D (ARD) grants as part of the funding application to CIIRDF (see NSERC Application Guideline).

C: ELIGIBILITY CRITERIA

1) Eligible Applicants

Eligible lead applicants are Canadian for-profit companies that are registered and operate in Canada, and Israeli for-profit companies that are registered and operate in Israel. Lead applicants from Canada and Israel must be two legal entities independent of each other, meaning that neither is under the direct or indirect control of the other or under the same direct or indirect control as the other.

Preference will be given to small and medium sized enterprises (firms with fewer than 500 employees). Subsidiaries of firms headquartered and owned outside Canada and Israel are normally not eligible for CIIRDF support, unless the Foundation is satisfied that the subsidiary has a global product mandate for the technology being developed in the course of the project, and that the project or technology will be substantially produced in and exported from either or both Canada and Israel. Public sector organizations, such as universities and research institutions, are eligible to participate as subcontractors and/or consultants.

*Please note that no funds can be provided to a federal laboratory or individual employed by the federal government. Any work requested by lead applicants from federal research laboratories must be obtained through contracts for services using their own financial resources.

2) Eligible Projects

a) R&D Activity Types

Three types of eligible industrial R&D projects:

| Technology Adaptation | Technology Validation | Technology Co-Development |
|--|---|---|
| <p>Applicant's Objectives:</p> <ul style="list-style-type: none"> Adaptation of a proven innovative product to meet new requirements in the foreign or domestic market being entered. Example requirements: country-specific regulations and standards (e.g. communication protocols, environmental specifications); unique customer requirements in foreign market. Acceleration of product adoption. <p>R&D Activities:</p> <ul style="list-style-type: none"> Collaborative requirements specification, design, implementation and testing of adaptations to the product. Technology Adaptation activities are usually followed by Technology Validation activities (i.e. the product/technology often must be re-validated for the new foreign market). | <p>Applicant's Objectives:</p> <ul style="list-style-type: none"> Validation of functionality, performance, quality and usability with potential early adopter customers Validation of product value proposition Acceleration of product adoption <p>R&D Activities:</p> <ul style="list-style-type: none"> Test plan, procedures and tools development. Test execution. Test results analysis and reporting. Specification of technology adaptation requirements, if required. | <p>Applicant's Objectives:</p> <ul style="list-style-type: none"> Acquisition of best-in-class technology to fill a gap in currently available solutions. <p>R&D Activities:</p> <ul style="list-style-type: none"> Canadian and Israeli technologies to be further developed and integrated to create a "whole product". Collaborative requirements specification, design, implementation and testing. |

Projects or technologies that have military/non-peaceful applications are not eligible.

b) Project Location

R&D project activities should take place primarily in Canada and Israel.

c) Activity Areas

R&D project proposals in all technology sectors (non-defence application). Special consideration will be given to projects in the following sectors:

- Information and Communication Technologies (including cyber, fintech)
- Life Sciences
- Aerospace
- Clean tech and sustainable tech (including water, renewables), plus limited energy (oil and gas)
- Agriculture and agrifood (including agri-tech)

d) Project Term

The maximum project length for projects funded under this Call is **24 months**.

3) Eligible Expenses

Eligible expenses for an approved R&D Project incurred by Project Participants must be directly related to, and necessary for, the implementation and conduct of a Project and will include:

- Salaries and benefits for employees on the payroll of the recipient for the actual time spent by the employees on the project;
- Professional, scientific, technical and contracting services;
- Reasonable travel expenditures, including meals and accommodation. Business and First Class airfare is not eligible;
- Depreciation, rental or leasing expenses of qualifying equipment, its installation, testing and commissioning, and materials;
- Overhead expenditures provided they are directly related to the conduct of the Project and can be attributed to it. Overhead expenditures are to be included in the total Project costs to a maximum of 15% of Eligible Expenditures incurred by individual recipients for individual R&D Projects, which includes:
 - administrative support provided directly to the Project by the recipient's employee(s), valued on the same basis as professional staff time;
 - routine laboratory and field equipment maintenance, based on the actual expenditure to the recipient;
 - heat, hydro, and office operating costs (e.g. faxes, telephone).

Please refer to the Section II-C, General Budget Guidelines for further information on Eligible Expenses.

4) Selection Criteria

Project proposals will be evaluated by experts in Canada and Israel on the basis of assessment criteria that includes but not limited to:

- Scientific merits of the project: the level of technological innovation from both Canadian and Israeli applicants is significant;
- Commercial merits of the project: both Canadian and Israeli applicants possess the ability and willingness to play an active role in the commercialization stage to derive commercial benefit from the project;
 - Include a knowledge or technology transfer plan to ensure that the results of the project do not become stranded.
- Benefit to Canadian and Israeli companies: benefits include increased technical knowledge, increased market share, entry into a new market as well as economic benefit arising from a new or improved product or process;
- Benefit to Canadian and Israeli economies: the project delivers net economic benefits to Canada and Israel such as increased economic growth, job and wealth creation, and sustainable development;
- The ability and capacity of the project team: both Canadian and Israeli applicants have technological and managerial capabilities and financial resources to deliver the project;
 - Include a clearly articulated risk management plan that identifies risks to the success of the Project and identifies mitigation strategies, and achievable timelines and milestones.
 - The relative share of each of the company in the budget should be close to 50-50; in

any case, it should not exceed 70% of the total project budget.

- A preliminary Cooperation Agreement between partners has been reached: The partners must indicate in the application how parties settle the obligations and rights of each partner.
- There are no negative human rights implications associated with the project.
- For the proposal involving the application for **NSERC CRD/ARD** grants: the project contributes to the training of highly qualified personnel (graduate students, postdoctoral fellows, research assistants and other, including company personnel).

Please note that the description of the individual criteria is indicative of the factors considered by reviewers, but are not meant to be all inclusive. Applicants are recommended to submit all information they feel would be relevant in addressing the criteria in their proposal.

5) Reporting Requirements

As a condition of the Funding Agreement, recipients will be required to provide the technical and financial reports periodically. This will include short status reports on each R&D Project and an updated budget table. CIIRDF will provide templates with the required format of the report.

II – PROPOSAL PREPARATION GUIDELINES

SCHEDULE

| | |
|--------------------------------------|---------------|
| Summary Proposal Submission Deadline | May 31, 2018 |
| Full Proposal Submission Deadline | June 29, 2018 |
| Notification of Approved Projects | October 2018 |

A: SUMMARY PROPSAL

Before you start to develop a full R&D project application, all applicants are required to submit a project summary outline to CIIRDF. CIIRDF will review this outline and advise companies (in writing) how best to proceed towards the development of a full R&D project proposal. The feedback to a summary outline will be provided within one week. **CIIRDF Proposal Summary Template** is available at www.ciirdf.ca.

B: FULL PROPSAL

- 1) Full proposals should be jointly prepared and signed by both Canadian and Israeli lead applicants following the proposal outline.
- 2) Full Proposals will be evaluated through a competitive process in both countries.

Submit to: Tomoko Nishino at tomoko@ciirdf.ca and Avner Montemayor at amontemayor@ciirdf.ca

PROPOSAL OUTLINE

1. **COVER PAGE**
Refer to Proposal Cover Page Template (see Section II-D)
2. **TABLE OF CONTENTS**
3. **EXECUTIVE SUMMARY**
Refer to Executive Summary Outline (see Section II-E)
4. **COMPANY INFORMATION (for both Canadian and Israel companies)**
 - a) Detailed Company Profiles: Use format, "Company Information Format" (see Section II-F)
 - b) Market Position
 - c) R&D Background
 - General
 - International cooperation
 - Similar R&D projects (government funded and/or others)
 - d) Financial information (include cash flow status, etc.)
 - e) Major Shareholders, total paid-in-capital
 - f) Record of performance in similar / related undertakings
 - g) Company capabilities (human resources, facilities, experiences, IP for project)
 - h) Degree to which proposed project can be absorbed into existing structure of each company
 - i) Key project personnel information (include their roles in the project)
 - j) Others (pertinent company/product brochures)

5. INNOVATION

- a) R&D goals
- b) Idea/concept behind the innovation (include sketches, diagrams, and tables to illustrate)
- c) Current solutions and best practices vs. innovation,
- d) Current limitations
- e) Technical requirements and definitions (e.g., Specification Sheet)
- f) Commercial value in market (related standards/ emerging standards)
- g) Proposed program cost in money and time to bring to commercial readiness
- h) Patent information (past, current, and future patents)
- i) Which standards apply to the developed product and will product meet current and emerging Standards
- j) Others, as required

6. R&D PROJECT ANALYSIS & PLAN

- a) Analysis of the problem
 - Specific issues or difficulties, which need to be resolved/overcome in order to achieve the project's objectives
 - Address general technical or economic constraints which must be overcome
 - Scope of Analysis must be consistent with the project budget and timetable
 - Confirm that critical technologies required for the project are firmly in hand
- b) Definition of required properties and functions of the end product
- c) General project plan
 - A chronological schedule of all activities presented in a graphical form (GANTT chart or the table format) for the duration of the entire project, complete up to market-ready product/technology
 - The plan should clearly indicate the estimated time required to completion of each task/activity in addition to milestones
 - A risk management plan that identifies risks to the success of the project and identifies mitigation strategies, and achievable timelines and milestones;
- d) Details of project activities
 - Identification and detailed description of each task or activity (according to the chronological schedule provided under General Plan)
 - Specify each Company's roles and assignments according to each activity
 - Describe problem-solving strategies – resolving issues and the basis for selecting the preferred solution (supply sufficient support material to justify approach)
 - Testing details should show what is being tested, how many tests are needed, test objectives, methodology, expected results, etc.
 - Compliance with industry standards: the product/processes' ability or inability to meet applicable standards
- e) Others, as required

7. MARKET & COMMERCIALIZATION

- a) Current market size/situation
 - Identification of market needs
 - Market barriers to entry
 - Expected growth of market over effective sales window (provide supporting material)
 - Competition Current and Future
- b) Companies' market position
 - Past sales record in the same or similar product line

- c) Existing marketing/sales channel
- d) Target customers
 - Specific industries to be affected (provide support material)
 - How are the customer / market needs served by the new product / process?
- b) A knowledge or technology transfer plan to ensure that the results of the project do not become stranded
- e) Business model / commercialization strategy (how to make money)
- f) Sales forecast (estimated market share) by each company
- g) Sales & cost comparisons
 - Manufacturing costs vs. selling price
 - Alternative or similar product / processes' pricing
- b) Others, as required

8. ORGANIZATION AND MANAGEMENT PLAN

- a) Describe proposed management procedures for the program, including the internal review procedures
- b) Describe procedures for timely communications between each company's project team
- c) Describe role of review meetings (when, where, for what purpose, with whom) during the project
- d) Provide an organization chart for the project, identifying each company's project leader and the overall program manager
- e) Identify the program's key project personnel and their responsibilities
- f) Indicate positions to be filled by new employees and identify the status of these staff
- g) Identify the role of key consultants and subcontractors on the organization chart and indicate if a relationship between the consultants/subcontractors and the companies currently exists

9. COOPERATION & BENEFITS

- a) Previous relationship between partners, if any (otherwise, describe ulterior motivation for this joint project)
- b) R&D and commercial role, share of each company
 - Development, production, and marketing roles
 - Current capabilities of each company for manufacturing and marketing and any additional capabilities required
 - External resources to be mobilized for accomplishing commercialization
- c) Cooperation Agreement
 - A cooperation agreement between Canadian and Israeli lead applicants needs to be signed prior to the signing of the Funding Agreement with CIIRDF. The agreement settles the obligations and rights of each partner, and covers all items relevant for project implementation and exploitation of results, e.g., IPR, withdrawal, budget and financial commitment, payments, time / activities / resources, competition etc. It should also deal with possible divergent interests.
- d) Benefits from joint R&D for each company
 - Technical mode and extent of cooperative activity between companies
 - Commercial aspects rendering mutual benefits

10. BUDGET

Prepare a separate R&D Project Budget for Canadian and Israeli lead applicant referring to the Section II-C, General Budget Guidelines (use the excel template).

C: GENERAL BUDGET GUIDELINES

Please complete a separate budget for each company’s activities for the duration of the project. A budget should be submitted in the excel spreadsheet template. Please note that the currency referred in proposals, budgets, contributions and all reports must be in **Canadian dollars**.

- 1) **Project Period:** A project should be organized into project periods. Companies should prepare their budgets for each of the project periods separately for the purpose of project monitoring, reporting and payment of funds.

Only those periods of the project up to, but NOT including, actual production and sales should be included in the budgets. Funding of the project begins from the effective start date of the project, which may be from the date the full proposal is submitted and acknowledged by CIIRDF. Expenses incurred by the companies prior to the effective start date or after the approved end date cannot be recognized.

Example:

| | | | |
|--------------------------------|----------------------|-------------------------------|---------------|
| Company Name: | XYZ COMPANY (Canada) | | |
| Total Project Duration: | 20 Months | Total Project Periods: | 2 |
| | | Total Project Budget: | 1,000,000 CAD |

- 2) **Direct Labor:** Salaries include wages and benefits for all personnel with direct involvement in the project such as engineers, scientists, technologists, drafters, researchers, laboratory, experimental and shop labour. All eligible personnel must be employees on the recipient’s payroll. Payment in terms of shares, stock, stock options and the like are not eligible. The amount invoiced shall be actual gross pay for the work performed and shall include no mark-up for profit, selling, administration or financing. NOT to be included are corporate executives, secretarial staff, legal staff, administrative staff or staff engaged in sales activities; such expenses are included in the overhead allowance.
 - a) Direct salaries and wages are eligible at the rates shown in payroll documents. These rates are established at the beginning of the project and do not change throughout the term of the project. Payroll documents must be provided for verification and audit purposes.
 - b) The maximum individual annual salary currently recognized by CIIRDF is CAD\$130,000 (NIS 360,000) plus up to 20% benefits for Canadian or Israeli companies’ employees and CAD\$160,000 (NIS 420,000) (no benefit) for CEOs.
 - c) **Benefits:** Actual costs of employment benefits are eligible and should be included in the direct labor calculation. Actual benefits costs are claimed as a percentage of direct labour and cannot exceed 20%. Canadian participants must calculate their benefits percentage by totaling all benefits costs of the organization as well as all base labour costs of the entire organization. Canadian Participants then apply this percentage to the direct wages claimed each quarter. Benefit costs can include the employer’s portion of the following: CPP, EI, EHT, Vacation Entitlements, Health and Dental Plans, Retirement Plans, WSIB, and other costs may be proposed by the Canadian Participant but must be approved in advance by CIIRDF.

Example:

| I .DIRECT LABOR (including benefits) | Hourly Rate CAD | Project Hours | Cost to Project CAD | Qualifying Cost CAD Column for Official Use Only |
|--|------------------------|----------------------|----------------------------|---|
| Name, Title, Role (TBD if yet unknown) | | | | |
| 1.Jane Doe, Project Manager, Engineer for software development | \$55 | 600 | 33,000 | |
| 2. John Smith, Researcher, supervising software integration | \$65 | 250 | 16,250 | |

- 3) **Equipment:** Depreciation, rental or leasing expenses of equipment necessary to carry out the project is eligible. Capital expenditures are not eligible. List each item, include purchase price, intended date of purchase and % of time to be used on the project during this period. Provide the schedule for equipment depreciation. Only depreciation or lease expenses incurred over the duration of the project will be recognized.

Example:

| II. EQUIPMENT This budget item refers to depreciation allowance on capital equipment employed and NOT TO CAPITAL EXPENDITURES. | | Total Purchase Costs (Cost X Units) | %Time On Project | Annual Depreciation Rate (Life - Years) | Cost To Project CAD | Qualifying Cost CAD Column for Official Use Only |
|--|---------------------|---|-------------------------|---|---|---|
| Item Description | NO. of Units | | | | | |
| 1. 3D Printer | 1 | 12,000 | 80% | (3 years) - 2/3 | 6,400 | |
| Subtotal, Purchased Equipment | | | | | 6,400 | |
| LEASED EQUIPMENT | | Monthly Lease Cost (Cost X Months X Unit) | %time on project | Cost To Project CAD | Qualifying Cost CAD Column for Official Use Only | |
| Item Description | NO. of Units | | | | | |
| 1. Spectrometer | 1 | 8000 x 12 x 1 = 96,000 | 100% | 96,000 | | |
| Subtotal, Leased Equipment | | | | | 96,000 | |
| TOTAL EQUIPMENT COST (Purchased Equip. Subtotal + Leased Equip Subtotal) | | | | | 102,400 | |

- 4) **Expendable Materials & Supplies:** List each major item under expendable materials and supplies and give purchase price. Provide a separate table for detailed breakdown, if necessary. Materials include those consumed in carrying out the project, including those utilized in the production and operation of models, prototypes and pilot plants. Only utilities consumed to operate equipment or processes are eligible and may be metered and reported separately from the total utility cost. Utilities used for buildings are not eligible. Materials purchased solely for the Project and issued from the Recipient's inventory are eligible. All materials shall be charged to the Project at the net price excluding taxes after deducting all trade discounts and similar credits. Surplus materials shall be credited to the Project at the original purchase price.
- 5) **Travel, Meals and Accommodations:** Travel costs essential to an R&D Project or exploitation of the results, as identified in the project work plan or as required for reporting and review meetings as stipulated in the Agreement are eligible. Business and First Class airfare are not eligible for reimbursement. For Canadian participants, the rate shall not exceed Treasury Board approved rates. All updates will be posted on the Treasury Board of Canada website found at <http://www.njc-cnm.gc.ca/directive/travel-voyage/index-eng.php>.

| IV. TRAVEL EXPENSES | | Cost per Person per trip(\$) | No. of trips | No. of People per Trip | Cost To Project CAD | Qualifying Cost CAD Column for Official Use Only |
|--|--|------------------------------|--------------|------------------------|---------------------|--|
| FOREIGN TRAVEL | | | | | | |
| Destination & Purpose | | | | | | |
| 1. Tel Aviv, Israel– Kick Off Meeting | | 4,000 | 1 | 2 | 8,000 | |
| Subtotal, Foreign Travel | | | | | 8,000 | |
| DOMESTIC TRAVEL | | Cost per Person per trip(\$) | No. of trips | No of People per Trip | Cost To Project CAD | Qualifying Cost CAD Column for Official Use Only |
| Destination & Purpose | | | | | | |
| 1. Edmonton – Facility Inspection | | 1,000 | 2 | 3 | 6,000 | |
| Subtotal, Domestic Travel | | | | | 6,000 | |
| TOTAL TRAVEL (Foreign Travel Subtotal + Domestic Travel Subtotal) | | | | | 14,000 | |

- 6) **Subcontractor:** Subcontractor’s budget should identify each company, the service to be performed and the cost for each service. Provide the basis for the costs.
- 7) **Consultant:** Consultant’s budget should identify each consultant, the nature of the activity, number of hours and hourly rate, if applicable.
- 8) **Other Expenses:** Eligible “Other Expenses” are reports, studies and patenting costs.
- 9) **Overhead Expenses:** Overhead allowance is **maximum 15% of the total eligible expenditures**, and may include:
- Administrative support provided directly to the Project by recipient’s employee(s), valued on the same basis as professional staff time;
 - Routine laboratory and field equipment maintenance, based on the actual cost to the recipient that is directly related to the Project;
 - Heat, hydro, and office operating costs (e.g. faxes, telephone), provided that they are directly related to the Project.
- 10) **Ineligible Costs:**
- Recoverable portion of HST and GST
 - Purchase of land
 - Leasehold or any interest in land
 - Property taxes
 - Rent
 - Legal Costs
 - Entertainment
 - All costs associated with the protection of IP
 - Costs incurred prior to the effective start date or after the project end date approved in the Funding Agreement
 - Costs associated with development of technologies for military / non-peaceful applications
 - In-kind contributions: In-kind support means a cash equivalent contribution in the form of a good or service for which no cash is exchanged but that would have to be purchased by the Proponent on the open market, or through negotiation with the provider, if it were not provided to the Project. For example, Direct Labour and Benefits of the Participant’s employees are not in-kind contributions.)

D: PROPOSAL COVER PAGE TEMPLATE

CANADA-ISRAEL INDUSTRIAL R&D PROGRAM

To : Canada-Israel Industrial R&D Foundation

From : Canadian company name and address
Israeli company name and address
(include telephone numbers and email addresses of principal contacts)

Project Title:

Budget Summary

| | Phase I | | Phase 2 | | Total | |
|---------------------------------|-------------|--|-------------|--|-------------|-----------------|
| | # of Months | | # of Months | | # of Months | |
| Canadian Budget (\$ CDN) | | | | | | Canada % |
| Israeli Budget (\$ CDN) | | | | | | Israel % |
| TOTAL (\$ CDN) | | | | | | |

Submitted by:

Country CANADA ISRAEL

Signature _____ _____

Print Name _____ _____

Title of Signatory Officer _____ _____

Company _____ _____

Date submitted _____ _____

E: EXECUTIVE SUMMARY OUTLINE (maximum 3 pages)

Executive Summary should include the following information:

- 1) Summary of management team (current and projected) of collaborating companies.
- 2) Summary of the proposed work to be carried out by both Canadian and Israeli companies addressing:
 - a) Current status of the technology from both a domestic and global perspective
 - b) Technical and commercial objectives
 - c) The proposed work plan outlining the contributions of each collaborating company and the rationale for synergy with other collaborators in the project
 - d) Projected timetable for involvement of Canadian and Israeli companies relative to entire project timeline
 - e) The strategic relevance of the proposed work to both Canada and Israel from a technical (sector) and commercial perspective
 - f) The opportunity for capacity building for both companies and their respective countries in general
 - g) Clear statement on the treatment of IP resulting from the collaboration

These should be stated clearly in language understandable to a general technical audience. Avoid using terminology only understood by specialists in the proposed technology.

- 3) Summary of Commercialization, Manufacturing and Marketing Issues including:
 - a) Clear statement of customer need being addressed
 - b) Evidence of market demand (e.g., conditional orders, market research)
 - c) Initial target customers (include specific names if possible)
 - d) Size and growth rate of target market
 - e) Competitive alternatives

- 4) Financial Information Table:

Canadian Company:

| | (\$000 CDN) | | | |
|----------------------------|---------------------|---------------------|---------------------------|-----------------------|
| | FY-2 (specify year) | FY-1 (specify year) | Current FY (specify year) | FY + 1 (specify year) |
| Gross Revenues | | | | |
| Earnings | | | | |
| W/C | | | | |
| Retained Earnings /Deficit | | | | |

Israeli Company:

| | (\$000 CDN) | | | |
|----------------------------|---------------------|---------------------|---------------------------|-----------------------|
| | FY-2 (specify year) | FY-1 (specify year) | Current FY (specify year) | FY + 1 (specify year) |
| Gross Revenues | | | | |
| Earnings | | | | |
| W/C | | | | |
| Retained Earnings /Deficit | | | | |

W/C = Working Capital = Current Assets – Current Liabilities

F: COMPANY INFORMATION FORMAT (SAMPLE)

| Item | ABC Co. (Canada) | XYZ Co. (Israel) |
|--|---------------------|---------------------|
| CEO/President | | |
| Project Manager/Title | | |
| Year Established | | |
| Year of Stock Listing | | |
| No. of Employees (Technical Personnel) | | |
| No. of Employees (Total Personnel) | | |
| Total Assets (current year) | CAD | CAD |
| Total Liabilities (current year) | CAD | CAD |
| Total Owner's Equity(current year) | CAD | CAD |
| Net Income (current year) | CAD | CAD |
| Total Sales (current year) | CAD | CAD |
| Total Sales in International Market (outside of its home country) (current year) | CAD | CAD |
| Core Business | | |

G: PROJECT BUDGET TEMPLATE (Specify Country: Canada or Israel)

*Excel template also available upon request.

Company Name:

Total Project Duration: Months

Total Project Periods:

Total Project Budget: CDN\$

1. Direct Labor

| QUALIFYING ITEM | | SPECIFICATION | | TOTALS |
|--|--|---------------|---------------|-----------------|
| 1. DIRECT LABOR (including benefits) | | Hourly Rate | Project Hours | Cost to Project |
| Name, Title, Role (TBD if yet unknown) | | [CAD] | [HRS] | [CAD] |
| 1 | | | | 0 |
| 2 | | | | 0 |
| 3 | | | | 0 |
| 4 | | | | 0 |
| 5 | | | | 0 |
| TOTAL DIRECT LABOR | | | | 0 |

2.1 PURCHASED EQUIPMENT *

| *This budget item refers to depreciation allowance on capital equipment used for the Project and not to capital expenditures. | | Total Purchase Costs | %Time on Project | Cost To Project |
|---|--------------|----------------------|------------------|-----------------|
| Item Description | NO. of Units | (Cost X Units) | [%] | [CAD] |
| 1 | | | | - |
| 2 | | | | - |
| 3 | | | | - |
| Subtotal, Purchased Equipment | | | | 0 |

2.2 LEASED EQUIPMENT

| Item Description | NO. of Units | Monthly Lease Cost | %Time on Project | Cost To Project |
|--|--------------|------------------------|------------------|-----------------|
| | | (Cost X Months X Unit) | [%] | [CAD] |
| 1 | | | | - |
| 2 | | | | - |
| 3 | | | | - |
| Subtotal, Leased Equipment | | | | 0 |
| TOTAL EQUIPMENT (Purchased, Leased) | | | | 0 |

| 4.1 TRAVEL EXPENSES - FOREIGN TRAVEL | | | | | |
|---|-----------------------|--------------------------|--------------|------------------------|-----------------|
| | Destination & Purpose | Cost per Person per trip | No. of trips | No. of People per Trip | Cost To Project |
| | | [CAD] | | | [CAD] |
| 1 | | | | | |
| 2 | | | | | |
| <i>Subtotal, FOREIGN TRAVEL</i> | | | | | 0 |
| 4.1 TRAVEL EXPENSES - DOMESTIC TRAVEL | | | | | |
| | Destination & Purpose | Cost per Person per trip | No. of trips | No. of People per Trip | Cost To Project |
| | | [CAD] | | | (Cost X Units) |
| 1 | | | | | |
| 2 | | | | | |
| <i>Subtotal, DOMESTIC TRAVEL</i> | | | | | 0 |
| <i>TOTAL TRAVEL (Foreign, Domestic)</i> | | | | | 0 |

| 5. SUBCONTRACTORS | | | |
|-----------------------------|-----------------------|-------------------------|-----------------|
| | Name of Subcontractor | Description of Services | Cost To Project |
| | | | [CAD] |
| 1 | | | |
| 2 | | | |
| <i>TOTAL SUBCONTRACTORS</i> | | | 0 |

| 6. CONSULTANTS | | | | | |
|--------------------------|--------------------|-------------------------|---------------|-----------|-----------------|
| | Name of Consultant | Description of Services | Rate Per Hour | No. Hours | Cost To Project |
| | | | [\$/Hour] | [Hrs] | [CAD] |
| 1 | | | | | |
| 2 | | | | | |
| <i>TOTAL CONSULTANTS</i> | | | | | 0 |

| 7. OTHER EXPENCES | | | |
|--|-----------------|-------------------------|-----------------|
| | Item Describion | Description and Purpose | Cost To Project |
| | | | [CAD] |
| 1 | | | |
| 2 | | | |
| 3 | | | |
| 4 | | | |
| 5 | | | |
| <i>TOTAL SUBCONTRACTORS</i> | | | 0 |
| TOTAL SUBTOTAL BEFORE OVERHEAD | | | 0 |
| OVERHEAD EXPENCES (Calculated as maximum 15% of the figure above) | | | - |
| TOTAL PROJECT PERIOD BUDGET | | | 0 |

H: CANADIAN APPLICANT SUPPLEMENTARY INFORMATION

The following section applies to a Canadian applicant only,

From : Canadian company and address
(with email, telephone and fax numbers)

This application jointly requests funding from NSERC Industry Driven Program (Yes/No): _____

If yes

- Collaborative R&D grant with university(Yes/No): _____
- Applied R&D grant with college (Yes/No): _____

By answering Yes, applicants hereby authorize that the information related to the application and its adjudication results be shared with NSERC.

Canadian Stacking Rules

Please note that the government of Canada stacking rule applies to all Canadian applicants. A stacking limit is the total of all government assistance as a percentage of eligible costs. Total assistance includes federal, provincial and municipal funding. This stacking limit is 75%. Any amount exceeding this limit is subject to recovery. It is the responsibility of the applicant to disclose all the sources of government funding in the proposal and during the life of project.

Please indicate in the table below all sources of funding for the proposed project.

| CANADA Funding Sources | Canada R&D Performers | | Total Contribution |
|------------------------------|-----------------------|----------------|--------------------|
| | Lead Company | Collaborator A | |
| Lead company Contribution | | | |
| Collaborator A | | | |
| CIIRDF | | | |
| NSERC | | | |
| Other Government Source | | | |
| Total Budget | | | |

*Collaborator is a member of the R&D project team from a company or academic institution other than a lead company.

1. NSERC Application Guidelines

In February 2012, CIIRDF and the Natural Sciences and Engineering Research Council of Canada (NSERC) joined forces and signed an agreement aligning their respective collaborative R&D programs. The alliance enables CIIRDF and NSERC to jointly solicit, evaluate and fund collaborative R&D projects that bring together Canadian companies, Canadian researchers from postsecondary institutions, and collaborating counterparts from Israel.

Under this agreement, Canadian companies that apply for funding have the opportunity to leverage expertise from Canadian postsecondary institutions and involve students jointly with NSERC. University and college researchers participating in CIIRDF projects may apply for NSERC Collaborative R&D (CRD) and/or Applied R&D (ARD) grants.

Eligibility

- For any CRD and ARD grant applications submitted to NSERC under this initiative, [NSERC's eligibility criteria](#) will strictly apply. NSERC-eligible applicants and co-applicants must be from NSERC-eligible postsecondary institutions.
- Canadian industry partners must also be considered eligible, as per NSERC's [Guidelines for Organizations Participating in Research Partnerships](#).
- All projects and partners must meet the requirements and eligibility criteria for NSERC CRD or ARD programs. In particular, projects must contain sufficient research activities to qualify for these programs and must include an effective management structure. Please refer to NSERC's CRD and ARD contribution and eligibility requirements online:
 - [CRD program description](#)
 - [ARD program description](#)
- The proposed area of R&D must be in accordance with NSERC's CRD or ARD grant objectives. While all research areas are eligible for ARD proposals, research in health, social sciences or humanities is not eligible for funding under the CRD Grants Program.
- Consult NSERC's page [Use of Grant Funds](#) for additional information on eligibility of expenses.
- Instructions on how to complete CRD and ARD applications are available online:
 - [CRD program instructions](#)
 - [ARD program instructions](#)

Industrial Contributions towards Partnership with Postsecondary Institutions

Through the CRD or ARD programs, NSERC will match the industry cash and eligible in-kind contributions towards the direct costs of research (excluding institutional overhead) up to twice the cash contribution by the industrial partner, if the eligible in-kind contribution is at least equal to the industry cash. Overall, the CRD or ARD programs offer industry partners with a maximum 2:1 leverage of their cash contribution and a maximum 1:1 total leverage on their cash and eligible in-kind contributions.

Consult the page [Guidelines for Organizations Participating in Research Partnerships](#) for details on the eligibility of partners' contributions, in particular in-kind contributions.

How Funding Works

A positive funding decision for R&D projects that request funds from both organizations will trigger:

- CIIRDF to allocate funds to Canadian industry participants; and
- NSERC to allocate funds to Canadian postsecondary institutions.

As per the terms and conditions for NSERC's CRD and ARD grants, Canadian industrial partners are required to make a cash contribution to the collaborating academic research partner to receive NSERC funding for the project. Industrial partners that wish to leverage NSERC funds can contribute up to a **maximum of \$75,000 or 25 percent of the total CIIRDF contribution** (whichever is less) to the collaborating postsecondary institution researcher. Industry partners are permitted to use CIIRDF funding to support the postsecondary institution research component of the project.

Sample calculation showing additional NSERC CRD leverage on the company contributions:

A Canadian *Company X* and its Israeli partner company are leading a collaborative R&D project with CIIRDF awarding \$200,000 to *Company X*. *Company X* may draw a maximum of 25% (i.e. \$50,000) from this \$200,000 allocation and transfer it to the postsecondary partner institution, *University Y*, that acts as a collaborator on the project (maintaining \$150,000 for the tasks they will undertake as the industry partner). Of the \$50,000 provided to the postsecondary institution, it is likely that a percentage would be allocated towards overhead costs at *University Y* while the remainder would be used to support the direct costs of the research. In this example, let us assume that the overhead is 20%, meaning that \$40,000 would be allocated to support the direct costs of research, while \$10,000 would be allocated towards overhead costs. Provided that *Company X* commits an equivalent amount of eligible in-kind contributions to the partnership with the postsecondary institution (in this example, \$40,000), up to \$80,000 can be requested from NSERC. Contributions towards the postsecondary institution's overhead costs are not eligible for leveraging by NSERC. Funding by NSERC enables the total value of the Canadian component of the project to be increased.

Table: Sample Canadian budget with \$50,000 cash contribution and \$40,000 eligible in-kind contribution

| Canadian Funding Sources | R&D Performers | | |
|---|--|--|--------------------------------------|
| | Canadian Company X | Canadian University Y | Total Actual Cost (cash and in-kind) |
| Canadian Company X | \$200,000 in cash + \$40,000 in <u>eligible</u> in-kind towards the partnership with the postsecondary institution | \$50,000 transferred from Company X to University Y as part of a collaborative partnership; \$40,000 used for direct research, and \$10,000 for overhead | \$240,000 |
| CIIRDF | \$200,000 from CIIRDF (\$50,000 is transferred to University Y under a contract) | | \$200,000 |
| NSERC | | \$80,000 (Industry contribution for direct research could be doubled by NSERC matching funds provided that sufficient <u>eligible</u> in-kind support is contributed towards the partnership with the postsecondary institution) | \$40,000 x 2 = \$80,000 |
| Total Budget (excluding Israel participant's budget) | | | \$520,000 |

How to Apply

Canadian industry applicants are required to submit an application to CIIRDF following the proposal guidelines to request funding for both the company and a postsecondary institution organization for the proposed R&D project. Industry applicants will need to authorize the transfer of the information related to the application and its adjudication to NSERC. In addition, postsecondary institution partners are required to submit a full application to NSERC [CRD](#) or [ARD](#) grants. Final CRD/ARD applications must be **received** by NSERC through the NSERC [Online System](#) by **the set deadlines of this Call for Proposal**.

Note: It is the applicants' responsibility to factor in the time required by their respective institutions' research grants office to review the draft and final applications prior to submission to NSERC by the set deadlines.

Important Notifications

- **The collection, use, and disclosure of personal information provided to NSERC will be governed by the Access to Information Act, the Privacy Act, and related policies, including information management and security, that NSERC applies in this respect.**
- **For any CRD and ARD grant applications submitted to NSERC in relation to a Call for Proposal under the CIIRDF Program, the submission, review, and adjudication steps will be governed by the policies NSERC applies to CRD and ARD grant applications.**
- **The results of the review of CRD and ARD grant applications submitted to NSERC in relation with a Call for Proposal under the CIIRDF Program will be shared with CIIRDF. By submitting CRD or ARD grant applications to NSERC in relation with a Call for Proposal under the CIIRDF Program, the applicant consents to such sharing and use of information. By agreeing to participate in this funding opportunity, all co-applicants, partners, and other participants consent to this sharing and use of the submitted information.**
- **The terms and conditions governing CRD and ARD grants awarded in relation to a Call for Proposal under the CIIRDF Program will be those applied by NSERC to such grants.**
- NSERC's Policy on Intellectual Property (IP) supports the premise that every effort should be made to exploit the results of NSERC-funded research in Canada, for the benefit of Canadians. IP arising from a project will be managed by the project participants, as NSERC does not claim or manage IP rights. IP terms must abide by [NSERC's IP policy](#) and be covered by a Research Agreement between the industrial partner and the postsecondary institution covering, at a minimum, the entire duration of the grant.
- Questions regarding NSERC CRD or ARD grant applications in relation to a Call for Proposal under the CIIRDF Program can be sent to: CIIRDF@nserc-crsng.gc.ca.

2. Canadian Environmental Assessment Act

The Canadian Environmental Assessment Act (CEAA) is a federal law that requires federal decision makers to consider the environmental effects of certain types of proposed projects before making any decisions or exercising any powers in relation to the proposed project. Please answer to the below YES/NO question, and complete the Screening Check List if answered YES.

| | |
|---|---|
| Does any phase of the research described in this proposal a) take place outside an office or laboratory, or b) involve the construction, operation, modification, decommissioning, abandonment or other activity in relation to a build structure that has a fixed location and is not intended to be moved frequently | |
| <input type="checkbox"/> NO | <input type="checkbox"/> <i>If YES to either question a) or b) – complete the Screening Check List.</i> |

CEAA Screening Check List

| Y | N | U | Y: Yes, N: No, U: Unknown |
|---|---|---|---|
| Determination of Physical Work under the CEA Act | | | |
| | | | Does any phase of the proposal involve the construction, operation, modification, decommissioning, abandonment or other activity in relation to a built structure that has a fixed location and is not intended to be moved frequently? |
| | | | Is this operation the same as the operation of an existing physical work for which an environmental assessment has already been completed? |
| | | | Will the physical work be located within 30 m of a body of water? |
| | | | Will the physical work be located on a serviced lot? |
| | | | Will the physical work be located on a Federal Real Property? |
| | | | Does the physical work involve of the construction, decommissioning or abandonment of a hydroelectric generating station with a production capacity of 200 MW or more? |
| | | | Does the physical work involve the expansion of a hydroelectric generating station that would result in the increase in production capacity of 50% or more and 200MW or more? |
| | | | Does the physical work involve the construction, decommissioning or abandonment of a tidal power electrical generating station with a production capacity of 5MW or more, or an expansion of such a station that would result in an increase in production capacity of more than 35%? |
| | | | Does the physical work involve the proposed construction, decommissioning or abandonment of a structure for the diversion of 10 000 000 m ³ /a or more of water from a natural water body or an expansion of such a structure that would result in an increase in diversion capacity of more than 35%? |
| Determination of Assessable Activities under the CEA Act | | | |
| | | | Activity takes place in a National Park or National Nature Reserve in Canada |
| | | | Activity takes place on First Nation lands |
| | | | Activity takes place in the North (Yukon, Nunavut, or the Northwest Territories) |
| | | | Activity takes place on a Federal Real Property |
| | | | Activity takes place in or within 30 metres of the right-of-way of a power line, a natural gas line, or a railway line |
| | | | Activity will discharge potentially polluting substances into a body of water. |
| | | | Destruction of fish other than by fishing |
| | | | Sampling or prospecting for ores or minerals |

| | | | |
|--------------------------------|--|--|---|
| | | | Disposal of a prescribed nuclear substance other than in a laboratory equipped for such disposal |
| | | | Deposit of a deleterious or other substance into the environment (in the earth, air, or water) |
| | | | Any kind of remediation of contaminated land |
| | | | Deposit of oil, oil wastes or any other substances harmful to migratory birds in waters or in areas frequented by migratory birds |
| | | | Killing or removal of migratory birds, their nests, eggs, or carcasses or other physical activities that may require a permit or other authorisation under the <i>Migratory Birds Regulations</i> or <i>Migratory Bird Sanctuary Regulations</i> |
| | | | The removal or damaging of vegetation and/or the carrying on of agricultural activities or the disturbance or removal of soil in a wildlife area that requires a permit under section 4 of the Wildlife Area Regulations under the Canada Wildlife Act |
| | | | Physical activities that are carried on in Canada and that are intended to threaten the continued existence of a biological population in an eco district, either directly or through the alteration of its habitat |
| | | | Establishment or operation of a field camp in a single location that will be used for 200 person-days or more within a calendar year |
| | | | Seismic surveying involving more than 50 kg of chemical explosive in a single blast; or marine or freshwater seismic surveying, if during the survey the air pressure measured at a distance of one metre from the source would be greater than 275.79 kPa (40 lbs/sq in) |
| Infrastructure Programs | | | |
| | | | Has the proponent applied to receive funding from other programs (federal or other jurisdictions) for this project? If so, please specify the program and department. |
| | | | Is the purpose of the project to improve energy efficiency in a municipal or community building/facility? |
| | | | Will the project be carried out within 250 m of an environmentally sensitive area? |