

Announcement

2nd Call for Proposals for Joint Research and Development (R&D) Projects between German and Brazilian Companies

Deadline for proposal submissions: **May 31, 2018**

Considering the Joint Declaration of Intent on bilateral co-operation in research, development and innovation, the governments of Brazil and Germany signed on August 20th, 2015, both countries present the programme below, in which each government shall provide support to its companies for engaging in collaborative R&D projects, once they are approved by both sides.

1. Scope

Germany and Brazil are announcing a call for proposals for joint R&D projects between German and Brazilian companies focusing on developing innovative products, technology-based services, processes or methods in all technological and application areas which have strong market potential.

The programme is jointly run by the Secretariat of Innovation and New Businesses in the Ministry of Industry, Foreign Trade and Services of Brazil (hereinafter "MDIC") and The Federal Ministry for Economic Affairs and Energy of the Federal Republic of Germany (hereinafter "BMW").

The BMW will provide German companies access to public funding for joint projects provided by the BMW's ZIM Programme (Central Innovation Programme for Small and Medium-sized Enterprises).

Brazilian companies are eligible for financial support from the National Development Bank (hereinafter BNDES), the Brazilian Industrial Research and Innovation Company (hereinafter EMBRAPII), the State Foundations for Research Support (hereinafter, FAPs) that adhere to the CONFAP Call for Proposals no. 02/2017, and other support institutions.

MDIC and AiF Projekt GmbH (Project management agency for the BMW) will provide all necessary assistance to project partners during project proposal, evaluation and monitoring phase.

2. Eligibility

Eligible Brazilian applicants:

- Brazilian companies of any size, registered, based and operating in Brazil.
- Research institutions accredited as EMBRAPII Units and Poles are eligible to participate and use the resources of EMBRAPII, as a partner to the aforementioned Brazilian company.
- Brazilian research institutions outside the EMBRAPII System are also eligible to participate, and are eligible for direct support from the FAPs, provided that they are partners with a Brazilian company.
- In the case of BNDES-only support, Brazilian research institutions are eligible only as subcontractors to the applying companies.

Eligible German applicants:

- R&D-performing SMEs, registered, based and operating in Germany
- Research institutions as full project partners or as subcontractors to eligible companies

3. Requirements

Cooperation proposals should be in line with the following requirements:

3.1 The participation of at least one Brazilian company, of any size, and one Small or Medium-sized Enterprise (SME) from Germany is mandatory. Research institutes and other companies may participate as partners or subcontractors in the cooperation project, respecting the financing rules of each country.

3.2 The proposal should result in the development of an improved or new product, process or service intended for commercialization in domestic and/or global markets.

3.2.1 Projects where the Brazilian partner intends to only develop services are not eligible for EMBRAPII support.

3.3 The new product / process / service should be innovative, have relevant market potential, technological risk and add value to the economies of both countries.

3.4 The project should demonstrate adequate balance and complementarity between the two partners in relation to the R&D phases.

3.5 The project should present a clear competitive advantage and differentiated value proposition as a result of cooperation between the participants of the two countries (increase of knowledge base, access to R&D infrastructure, new fields of application, for example).

3.6 Companies should present a strategy which, given their technological, commercial and financial aspects, demonstrates their potential to introduce the new product / process / service into the markets of both countries and/or third countries.

3.7 The project partners should agree in advance on the allocation of intellectual property (IP) rights between their companies, as well as the commercialization strategy. This agreement must reflect a reasonable allocation and a fair return for both partners on their investment. Applicants will be requested to submit the information above on their Common Proposal Form and, only for the German counterpart, the Cooperation Agreement.

3.8 The partners in Germany and in Brazil must demonstrate their capability of implementing the project and funding their respective share.

Any partner whose cooperative R&D project is consistent with the aforesaid criteria can apply to the present call in accordance with the national laws, rules, regulations and procedures in effect.

4. Financing and support

Eligible German and Brazilian project participants will finance their costs through national funding mechanisms and, complementary, with their own resources.

Financing to the companies is subject to the approval of the cooperation proposal by both countries

4.1 In Brazil approved projects may be financed by BNDES, EMBRAPII and/or the FAPs, as follows:

BNDES

- BNDES funding may be granted through the Bank's existing credit lines and financial products.
- BNDES funding will be granted according to the rules and operating procedures of the institution as well as the applicable legislation in force.
- In this call, BNDES can support Brazilian companies through indirect support instruments, especially for micro, small and medium-sized enterprises and direct support through the Support Line A, for proposals from R\$ 10 million onwards.

BNDES financial support	Type of support
Up to R\$10 milion	Indirect with accredited financial agent
From R\$10 million onwards	Direct

- Approval in International Cooperation calls is one of the qualifying criteria for Brazilian SMEs to access BNDES' Innovative SME programme, in accordance with the conditions and standards of the financial institutions accredited by BNDES.
- For more information about BNDES' financing conditions and requirements, please visit: <http://www.bndes.gov.br/>

EMBRAPII

- Brazilian companies that have R&D projects aligned with EMBRAPII's technological skills and lines of action can count on the support of EMBRAPII Units to develop their projects.
- Project must be negotiated directly between companies and EMBRAPII Units and/or Poles. It's up to the Unit and/or Pole to evaluate and decide on the feasibility of the research to be developed, within the parameters of EMBRAPII rules.
- Projects where the Brazilian partner intends to only develop services are not eligible for EMBRAPII support. Those where the Brazilian partner intends to develop products and processes are eligible.
- EMBRAPII finances up to 1/3 of projects between companies and EMBRAPII Units and Poles with non-refundable (grant) resources.
- All projects supported in the framework of the EMBRAPII System must include previously established investment shares from EMBRAPII Units and Poles (economic resources) and partner companies (mandatory financial resources). The companies' share must necessarily be financial and directly applied in the execution of the contracted projects.

Responsible	Contribution
EMBRAPII	Maximum of 1/3 of Brazilian project costs
Companies	At least 1/3 of Brazilian project costs
EMBRAPII Units	The remaining Brazilian project costs, up to 1/3 of the total

- The Brazilian companies applying to develop projects jointly with EMBRAPII Units and Poles may also request financing to BNDES and other funding institutions. In this case, the requested financing may be granted according to the available credit lines and the rules and operating procedures of each institution as well as the applicable legislation in force.

- Please note that it is not necessary to guarantee financing from other funding agencies to present a proposal and receive grant support from EMBRAPII.
- For more information on EMBRAPII Units and Poles and their technological capabilities, please visit: <http://embrapii.org.br/categoria/idades-embrapii/#>
- For more information about EMBRAPII's model and rules, please visit: <http://embrapii.org.br/manual-das-unidades-embrapii/>

CONFAP

- State Foundations for Research Support (FAPs) that adhere to the CONFAP Call for Proposals no. 02/2017 may offer financial support to the projects approved in this Call, according to their availability of resources, operational policy and applicable state legislation.
- Check the CONFAP Call for Proposals no. 02/2017 to find out which FAPs are covered in this Call and how and under what conditions they can support the selected projects.

4.2 In Germany

AiF-Projekt GmbH will evaluate the project application from German applicants according to the guidelines of the ZIM programme.

5. Submission Guidelines

5.1 The Common Proposal Form

5.1.1 The Common Proposal Form is available for download at www.zim-bmwi.de/internationale-fue-kooperationen and www.internationalcooperation.mdic.gov.br.

5.1.2 The Common Proposal Form must be filled in by both partners in English.

5.1.3 Before the call deadline, German applicants should send the Common Proposal Form electronically to international@aif-projekt-gmbh.de and their Brazilian partners to internationalcooperation@mdic.gov.br

5.1.4 The versions submitted by each partner must have identical content.

5.2 German companies

5.2.1 In addition to the Common Proposal Form, all German applicants must file national ZIM applications according to the following rules: Every German partner files one ZIM application as an electronic PDF form to AiF Projekt GmbH. All German SMEs, following the guidelines of the European Union definition which perform R&D to develop an innovative product, process or technological service – also in cooperation with research organisations – have the

right to apply. More detailed criteria can be found on www.zim-bmwi.de/kooperationsprojekte. The application has to be in line with the ZIM regulations, e.g. it has to be in German language.

5.2.2 The Cooperation Agreement is a formal agreement between the project partners, required by the German side. It must be signed by both partners.

The minimum requirements for the Cooperation Agreement are:

- Naming of all project partners
- Description of the project aims and differentiation of the subprojects of the partners including their working plans with effort estimates in man months
- Identifying and naming any 3rd party contractors required in the project
- Regulation of intellectual property rights (new and old)
- Basic regulation of joint commercialization and apportioning of benefits
- If research organizations from Germany are involved a passage has to be included that allows them to publish their own results without duty to obtain consent from the other partners.

5.2.5 A draft of the Cooperation Agreement should be sent electronically to international@aif-projekt-gmbh.de alongside the Common Proposal Form.

5.3 Brazilian companies

5.3.1 In addition to the Common Proposal Form, Brazilian companies must present additional documentation in the form of one or more of the following Annexes, depending on the nature of the funding sought:

5.3.2 If the applicant wishes to request BNDES support, they must send, alongside the form, to the e-mail internationalcooperation@mdic.gov.br, the BNDES Annex 1 (Economic-Financial Indicators).

5.3.3 BNDES may at any time contact the Brazilian company and request further information.

5.3.4 If the company is developing a partnership with an EMBRAPII Unit, it is fundamental that, in the presentation of the proposal, it signals which EMBRAPII Unit they want to work with and the status of the negotiation, filling out the "EMBRAPII Annex".

5.3.5 Proposals submitted through the CONFAP Call no. 02/2017 should present the documentation required in the items 5.1 (Common Proposal Form) and 5.3.2 (Annex 1 - Economic-Financial Indicators) of the present Call, as well as the specific documents that each FAP may require.

5.3.6 All the mentioned Annexes are available for download alongside the Common Proposal Form at www.internationalcooperation.mdic.gov.br.

6. Analysis of the financing request

The decision about the financial support and the conditions of this support is a prerogative of the funding institutions of each country, which will independently analyse the funding requests, according to the operational policies of each institution.

7. Evaluation and approval

The approval of the cooperation proposals by both governments, as well as the communication of that approval to the selected companies, will proceed intermittently and will follow the chronological order of presentation of the proposals along the duration of the call.

8. Schedule

The proposed technological cooperation formalized under this Call for Proposals should adhere to the following schedule:

Activities	Date
Official launch of the Call	November 12, 2017
Proposal submission deadline (1 st cut-off date)	May 31, 2018
Deadline to publicize the projects approved by both sides	July 31, 2018

9. Publication of Results

9.1 MDIC will communicate to Brazilian companies the approval or rejection of their respective projects, electronically.

9.2 In the case of direct financing with the BNDES (projects of more than R\$ 10 million), the companies will be invited to fill up an electronic consultation letter.

9.3 The publication on the German side will be on the website www.zim-bmwi.de

Information about requests for financial support will be disclosed only to the requesting company, observing the operating rules and procedures of each institution, as well as applicable legislation.

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