AGREEMENT

BETWEEN THE GOVERNMENT OF FLANDERS AND

THE GOVERNMENT OF THE STATE OF ISRAEL

ON COOPERATION

IN THE FIELD

OF RESEARCH AND DEVELOPMENT

IN INDUSTRY.

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(HEREINAFTER: "the Parties")
Wishing to strengthen their close and friendly relations, confirm their interest in supporting and facilitating their cooperation in the field of research and development in industry, and desiring to create the most appropriate conditions for the development of such cooperation;
HAVE REACHED THE FOLLOWING UNDERSTANDING
The Ministries charged with the implementation of this Agreement are, in Israel: the Ministry of Industry and Trade; in Flanders: the Ministry of the Flemish Community (the Coordination

The Organisations responsible for the execution of the Agreement are for Israel: the Office of the Chief Scientist (OCS), for Flanders: the Flemish Institute for the promotion of Scientific-

Department).

Technological Research in Industry(IWT).

ARTICLE I

In this Agreement, the following terms will be construed as indicated below:

Cooperation: Cooperation between the Government of the state of Israel and the Government of Flanders to promote and support joint

and the Government of Flanders to promote and support joint industrial research and development activities of mutual benefit to Israel and Flanders on the basis of equality and

reciprocity;

ii) Project: Any collaborative action to be undertaken. by at least one

Flemish industrial company and at least one Israeli industrial

company within the framework of a project agreement;

iii) Project agreement: An agreement between two or more industrial companies, at

least one Flemish and at least one Israeli, collaborating under

the Agreement;

iv) Funding Arrangements: Financial support for projects according to support schemes

used by the Israeli and the Flemish Governments. Examples of the current support schemes operative in Israel and in

Flanders are attached to the Agreement;

v) Contractors: The industrial companies, at least one in Flanders and at least

one in Israel, collaborating on a project under a project

agreement;

vi) Project proposal: A joint written proposal from prospective contractors drawn

up according to a format prescribed by the organisations defining, inter alia, the technical and financial scope of the proposed project, the division of tasks between the contractors and including a plan for the commercial exploitation of the

product, process or service to be developed;

vii) Project budget: The proposed project's total expenditure on research and

development, as recognised and approved by the

organisations;

viii) Funding agreement: An arrangement between one of the organisations and its

respective contractor(s) specifying governmental financial

support;

ARTICLE II

1. The objectives of cooperation include, but are not limited to:

promoting and supporting industrial research and development projects with civilian applications, which are jointly executed by at least one Israeli and at least one Flemish industrial company for the mutual benefit of the Parties;

- ii) identifying potential projects and contractors in Flanders and Israel;
- iii) putting such potential contractors in touch with one another.
- 2. As part of their cooperation, all measures will be taken to promote and support scientific and technological research in industry, particularly that which would contribute to the transformation of an innovation into a marketable product, process of service, including but not limited the research and the development of prototypes, new products or production procedures and test and demonstration projects.
- 3. No activities with a military objective can be promoted or supported under this Agreement.
- 4. The working language of all cooperation between the Parties will be English.

ARTICLE III

- 1. A Coordinating Committee composed of eight members will be set up. The Government of the State of Israel will designate four members: one representative of the Foreign Trade Administration of the Ministry of Industry and Trade, one from the Ministry of Finance and two representatives of the Office of the Chief Scientist of the Ministry of Industry and Trade. The Government of Flanders will also designate four members, i.e. one staff member from the Administration for Foreign Affairs, one staff member from the administration of Science and Innovation and two staff members from IWT.
- 2. The Government of the State of Israel and the Government of Flanders will alternate in designating a chairperson from among their representatives for a period of two years. For the first two year period, a representative of the Government of Flanders will act as chairperson.
- 3. The Coordinating Committee will meet at least once a year. It will prepare an annual annual eport of its activities. This report will be transmitted simultaneously to the Government of the State of Israel and to the Government of Flanders.
- 4. For the day to day management, each of the organisations will appoint a liaison officer. These liaison officers will act alternately and for a period of two years as secretary of the Coordinating Committee. For the first two year period, the Israeli liaison officer will act as secretary.
- 5. The Coordinating Committee will be responsible for the administration and coordination of all cooperation. Among its tasks are:
 - i) the development procedures for prompt evaluation and approval of the proposals;
 - ii) the organisation of assistance to potential contractors in the preparation of project proposals;
 - the creation of a system of information within the Coordinating Committee and between the two organisations for monitoring the progress of projects;

- iv) the promotion of active contacts and exchanges between industrial companies, private and governmental organisations active in the industrial and technological sectors, research institutes and universities from Israel and Flanders active in the field of industrial research and development; the organisation of matchmaking events.
- (v) facilitating contacts by, inter alia, providing information on relevant subjects in order to promote existing projects and/or to stimulate potential candidates for new projects;
- vi) gathering information about technology policy in Israel and Flanders.,

ARTICLE IV

1. Each project proposal must:

- be submitted by at least one Israeli and at least one Flemish industrial company, or by a jointventure of companies from Flanders and Israel;
- ii) show a mutually beneficial relationship between the Israeli andFlemish industrial companies;
- iii) demonstrate the technical and economic feasibility of the project;
- iv) define exactly what part of the project will be carried out by each contractor;
- v) contain evidence that the contractors are capable of carrying out the project by themselves or through partial sub-contracting;
- vi) indicate by means of a scheduled programme how the work on the project will be carried out. Among other things, the expected intermediary results have to be indicated;
- vii) provide a project budget and indicate the contribution from contractors own resources.

2. Each proposed project must:

- be of benefit to the economy of Israel and Flanders;
- ii) be of benefit to both Israeli and Flemish Industry;
- iii) have possible applications in the international industrial field;
- iv) directly or indirectly contribute to the development of additional products, processes, services and/or markets;
- v) require expenditure on goods and services connected with research and development activities both in Israel and in Flanders, though not necessarily on an equal basis.

ARTICLE V

- 1. Applicants for project support under this Agreement shall submit simultaneously to the Office of the Chief Scientist (for the Israeli partner) and the Flemish Institute for the Promotion of Scientific, Technological Research and Industry (for the-Flemish partner) a project proposal containing the following:
- a simplified joint project proposal form ("joint form") completed by all project participants a) and consisting of:
 - project information
 - i) ii) supplementary information
 - iii) co-signatures
- a copy of the project agreement; b)
- the relevant Flemish and Israeli application form for funding within the respective funding c) schemes, containing, all relevant information on the applicant's part of the project, according to the respective rules and regulations:
- 2. All forms must be completed in English and must not be made public in any way whatsoever unless specific agreement is given by all Parties involved.
- 3. Each project agreement must:
 - define the expected use of the know-how to be generated by the project; i)
 - define the intellectual property rights in respect of the generated kwow-how; ii)
 - iii) define the division of the manufacturing of the product(s) resulting from the project;
 - define the marketing role for each partner; iv)
 - include a royalties agreement, taking into account the royalties regulations in Israel v) and Flanders.
- The project agreement shall contain provisions for the abandonment and/or termination of the 4. project.

ARTICLE VI

- 1. Project proposals must be submitted simultaneously to the two organisations.
- 2. Each project proposal will be evaluated by the respective organisations. In each case, the approval of the project proposal by both organisations is required. In, addition, both organisations have to approve the project budget and the project agreement between the companies carrying out the project.
- 3. Only after a project has been approved separately by each organisation, and after each organisation has notified the other of its approval, will a funding agreement be concluded on the relevant project, between each organisation and its contractor(s), according to its rules and regulations.
- 4. After concluding the funding agreement, each organisation will provide financial support for its respective contractors in accordance with its own procedures and rules.

ARTICLE VII

Should one of the organisations discontinue the financing of an approved project, it will give prior notification to the other organisation. The suspension of funding by either organisation shall follow their respective operating regulations and procedures.

ARTICLE VIII

Nothing in this Agreement shall be construed so as to prejudice other arrangements, in particular the cultural agreement between Israel and Belgium and the subsequent collaboration in the field of academic research and higher education between Israel and Flanders.

ARTICLE IX

This Agreement may be revised by mutual consent. The revision or termination of this Agreement will not affect the completion of any project approved under it.

ARTICLE X

This Agreement will enter into force on the first day of the month following the second notification in writing of the conclusion of the respective internal proceedings for approval of the Agreement. It will be operative for a period of four years and thereafter tacitly renewed every two years. The Agreement may be terminated by either of the Governments by giving notice of termination six, months prior to the end of the above mentioned periods.

ARTICLE XI

This Agreement has been drawn up in duplicate in the Dutch, Hebrew and English languages, each of these texts being equally authentic and legally valid..

In the event of inconsistencies between the different versions, or disagreements over interpretation, the English version shall prevail.

For the Government of Flanders

For the Government of the State of Israel

MR. DAVID LEVY DEPUTY PRIME MINISTER AND MINISTER OF FOREIGN AFFAIRS

TO ALL TO WHOM THESE PRESENTS SHALL COME BE IT KNOWN

That,

Mr. Shaul Amor Ambassador Extraordinary and Plenipotentiary

is hereby appointed to sign, subject to ratification, the Agreement between the Government of the State of Israel and the Government of Flanders on Cooperation in the field of Research and Development in Industry.

IN WITNESS WHEREOF, I, David Levy, Minister of Foreign Affairs, have subscribed my signature and have caused the Seal of the Ministry of Foreign Affairs to be affixed hereunto; in Jerusalem, this Fifth day of Tevet, Five Thousand Seven Hundred and Sixty, which corresponds to the Fourteenth day of December, One Thousand Nine-Hundred and Ninety-Nine.

Inscribed in the Fifth Book of Protocol under No. 2345

