

**Joint Declaration of  
Strategic Cooperation between  
The State of Israel  
and  
The State of Michigan,  
United States of America**

**WHEREAS**, the Honorable Eliyahu Yishai, Deputy Prime Minister and Minister of Industry, Trade and Labor (“MOITAL”), State of Israel, and the Honorable Jennifer M. Granholm, Governor of the State of Michigan (hereinafter respectively referred to as the “Deputy Prime Minister” and the “Governor”), have engaged in productive discussions during the Governor’s visit to Jerusalem, Israel, on November \_\_, 2008; and

**WHEREAS**, the Deputy Prime Minister and the Governor recognize the importance of moving towards a knowledge-based society and of continuously promoting innovation to position Israel and Michigan as leaders in technological competitiveness and bring wealth and prosperity to Israeli and Michigan individual and corporate citizens; and

**WHEREAS**, the State of Israel and the State of Michigan are world-renowned centers for the research, development and commercialization of many cutting-edge technologies that cross-fertilize all sectors of their respective economies; and

**WHEREAS**, the Deputy Prime Minister and the Governor wish to accelerate the transformation of new ideas into innovative products, services and business models by establishing dynamic links between Israel and Michigan in targeted sectors and their corresponding sector networks in certain sectors described more in detail below; and

**WHEREAS**, the Deputy Prime Minister and the Governor are inspired by the true friendship that unites the peoples of Israel and the State of Michigan and by the successful economic cooperation that has characterized their relations; and

**WHEREAS**, The Deputy Prime Minister and the Governor wish to memorialize their 2008, discussions ”.

**NOW, THEREFORE, THE DEPUTY PRIME MINISTER AND THE GOVERNOR  
HEREBY PRESENT THIS JOINT DECLARATION OF STRATEGIC COOPERATION:**

The strategic cooperation between the State of Israel and the State of Michigan will focus on the following sectors: Renewable energy technologies; Clean technologies; Water technologies; Homeland Security technologies; and Life Science technologies (hereinafter collectively referred to as the “Targeted Sectors”); as well as on other sectors of innovation.

This strategic cooperation shall be directed by a Joint Task Group, comprised of representatives appointed by the Deputy Prime Minister and the Governor.

The Joint Task Group shall use its best efforts to:

1. Explore the means of cooperation, which will enable the sharing and advancement of innovative economic development policies with special emphasis on the Targeted Sectors, that leverage and advance traditional areas of strength and expertise both in Israel and Michigan; and
2. Study mechanisms for fostering joint projects and added value collaboration and strategic alliances between and among Israeli and Michigan entities with emphasis on the Targeted Sectors; and
3. Identify areas and projects of strategic cooperation, in the research, development, and commercialization of cutting-edge technologies in the Targeted Sectors; and
4. Encourage negotiations for the signing of an industrial research and development agreement between the Government of the State of Israel and the corresponding authority within Michigan Government, to promote joint applied research collaborations between Michigan and Israeli companies aimed at developing products and technologies for commercialization.
5. Establish and define priorities of strategic collaboration within the Targeted Sectors as additional Annexes to this Joint Declaration.

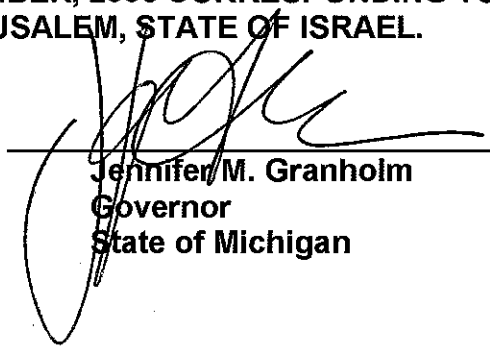
The Annex to this Joint Declaration serves as an implementing guideline for the cooperation which will be explored by the Joint Task Group and forms an integral part of this Declaration.

**EXECUTED THIS 17<sup>TH</sup> DAY OF NOVEMBER, 2008 CORRESPONDING TO 19 HESHVAN 5769, IN THE CITY OF JERUSALEM, STATE OF ISRAEL.**



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**Eliyahu Yishai**  
**DEPUTY PRIME MINISTER**  
**State of Israel**



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**Jennifer M. Granholm**  
**Governor**  
**State of Michigan**

## ANNEX

### SCOPE AND PRIORITIES OF STRATEGIC ALLIANCE:

In this Annex, the Deputy Prime Minister and the Governor have defined the initial priorities within the Targeted Sectors, as set forth more in detail below. The Joint Task Group may modify, revise, change or further define these priorities, as circumstances require.

#### **A: Water Technologies.**

**Background:** The State of Michigan and the State of Israel share a common interest in water technologies and management systems aimed at the following: assuring clean and sustainable water resources; promoting the efficient use and reuse of water, developing and expanding their respective water technology and services supply chains, and promoting and developing ecosystem restoration technologies.

**Opportunities:** Israel has a robust and developed water technology sector with over 270 water technology companies that exported goods and services worth approximately one billion dollars in 2007. Over the past 60 years, Israel has created an excellent system for developing novel and efficient water technologies, with the integration of government, academia, seed funding and venture capital. In the United States, water technologies are a \$114 billion business, which is expected to grow exponentially on an annual basis. Michigan, as the only state entirely within the Great Lakes basin, has a deeply vested interest in the Great Lakes, which are the largest surface freshwater system in the world. Indeed, their waters represent 90 percent of the United States' surface freshwater supply. The State of Michigan plans to take a leadership role in ensuring that the Great Lakes remain a sustainable, renewable resource for the region. As a result of this involvement, the State of Michigan will provide a platform for continued economic prosperity, as well as act as a unique laboratory for the development of innovative water conservation and treatment technologies. To further these goals, Michigan has launched an aggressive Water Technologies Cluster initiative aimed at positioning Michigan to become the North American center of water technologies. This presents an excellent opportunity for the companies and academia operating in this sector, both in Israel and Michigan, to collaborate on variety of projects.

Joint activities in the water technology sector will focus on the following strategic areas:

- (a) **Policy sharing:** Collaboration on the formation and launch of Michigan's Water Technologies Cluster and the sharing of corresponding economic development policies in support of said initiative.
- (b) **Joint Projects:** Projects will include, but not be limited to, those in connection with Michigan's Water Technology Cluster.
- (c) **Export/Licensing:** Consideration of the various means to facilitate the export/licensing of unique water technologies.
- (d) **Water Security:** Israel has developed extensive experience in the water security sectors; including, perimeter security, contamination detection, and neutralization. As the State of Michigan conducts an assessment of

its water security needs, the focus in this area will be collaborating with Israel in the advancement of water security technologies in the fields of surveillance, reconnaissance, command and control systems sensor to measure water quality and biosensors to detect toxins.

- (e) Mapping: The State of Michigan shall establish a technology map of its water sector compatible with the one developed by Israel's NewTech program, with reciprocal links connecting the respective map web portals; thereby allowing Israeli and Michigan water sector companies and researchers identify specific core competencies and innovative opportunities.

### **B: Funding Sources and Other Technology Opportunities.**

**Background:** With respect to funding for water-related research and development, U.S. federal funds alone exceeded \$1.5 billion in 2006. There are also several private foundations that invest in water-related research and development.

In addition to funding water technology advancements, it should be noted that other U.S. states that have established close collaborations with Israel have also established joint funding mechanisms for funding technological advancements in specific targeted sectors. Furthermore, the U.S. Energy Bill has authorized a 7-year grant program (United States-Israel Energy Cooperation Act) overseen jointly by U.S. and Israel to fund research and development in solar, biomass, wind, geothermal, wave and tidal energy, as well as energy efficiency and advanced battery technology. It should be noted that the details of the funding of this grant program have not yet been finalized.

**Opportunity:** Given that Michigan and Israel are both leaders in research and development, collaborative Michigan-Israel joint projects, with the right mix of academia and commercialization savvy, stand an excellent chance of being awarded. This is especially true for certain sectors such as advanced battery technology, biomass, and water technology, in which there are strengths and/or resources on both sides. Joint activities will focus on the following areas:

- (1) **Water Technology:** Joint projects for funding will be identified through the following agencies and foundations:
  - (a) Environmental Protection Agency. Focus: Removal of disinfection by-products and of microbial contaminants-Ecosystems.
  - (b) United States Department of Agriculture. Focus: Quality and waste disposal; balance agricultural productivity with water conservation.
  - (c) National Science Foundation. Focus: Basic science; cyber infrastructure.
  - (d) United States Geological Survey. Focus: Water/climate monitoring.
  - (e) Army Research. Focus: Potable water for field troops.
  - (f) Turner Foundation. Focus: Water pollution.

- (g) Water Environment Research Foundation. Focus: Water pollution, water resources.
  - (h) Edwards Mother Earth Foundation. Focus: waste management, water pollution and water resources.
- (2) Alternative Energy Technologies: Joint projects for funding will be identified under the United States-Israel Energy Cooperation Act: Focus: Advanced battery Technology, Biomass, Wind.
  - (3) Israel-Michigan Fund. The parties will explore the feasibility of establishing a dedicated Israel-Michigan funding mechanism with a focus on certain key technologies.