

The Pharma Model - Motivation

- ❑ Pharma/Biotech is a very important sector for both the U.S. and Israel, with much potential for joint collaboration.
- ❑ For these sectors, the funding provided by BIRD (up to \$1M) can be very significant at relatively early stages (i.e., pre-clinical, Phase I) and may be less attractive at later stages (i.e., Phase III)
- ❑ The traditional “BIRD Model” applies to projects which (ideally) result in a commercial product or service, ready (or close to ready) for commercialization
- ❑ It is not practical to apply the traditional “BIRD Model” to Pharma/Biotech projects, since from early stages until sales it may take ~10 years.
- ❑ The “Pharma Model” is an approach that enables BIRD to fund much longer-term projects while still retaining the repayment potential

The Pharma Model - Implementation

- ❑ The use of a milestone concept for BIRD, under the “Pharma Model” was formalized as a separate contract (Pharma CPFA) in 2007 (available from BIRD’s website)
- ❑ The standard Pharma CPFA incorporates the definition of a milestone, which, if accomplished, triggers repayments. The repayments should be completed within a year from achieving the milestone. This period can be negotiated and extended, but then the repayments are escalated up to 150% (as in the regular BIRD CPFA).