Israel Innovation Authority Launches NIS 1 Billion Fast-Track Program for Startups Affected by US Dollar Depreciation

New program to help tech companies with less than 12 months runway extend it by six months through grants, matching funding and an accelerated process

Dror Bin, CEO of The Israel Innovation Authority (Credits: Israel Innovation Authority)1

JERUSALEM, ISRAEL, July 27, 2026 /EINPresswire.com/ -- The Israel Innovation Authority, today announced the launch of a new NIS 1 billion fast-track funding program to support startups and early-stage growth companies whose operational runway has been shortened by the depreciation of the US dollar against the Israeli shekel.

The new program is designed to help young technology companies address the shortening of their runway caused by the rapid appreciation of the Israeli shekel. It is intended for companies with less than 12 months of runway and will enable them to extend their operational runway by an additional six months through grants, matching funding, and an accelerated application review and approval process. The program will allow companies to continue investing in research and development, execute their growth plans, and reach significant technological and business milestones.

The rapid appreciation of the shekel in recent months has adversely affected startups that raise capital in US dollars in two ways. First, it has shortened their operational runway, forcing them to seek their next funding round earlier than planned. Second, it has increased the amount of capital they will need to raise in that future round, despite no material change in their business operations. Early-stage growth companies that are financed through revenues denominated in US dollars have experienced similar effects, potentially limiting their ability to continue investing in rapid growth.

The new program is part of a broader initiative by the Israel Innovation Authority to preserve the strength of Israel's high-tech sector during a period of macroeconomic volatility. Its objective is to prevent high-potential technology companies from scaling back operations, laying off employees, or being forced to raise capital earlier than planned solely as a result of exchange-rate fluctuations.

Companies selected under the program will receive grants designed to extend their operational runway by an additional six months. The grant will cover either 33% or 50% of the required funding, equivalent to approximately two or three months of runway, and must be matched through additional financing, such as a new fundraising round, a SAFE agreement, a loan, new revenues, or similar sources. The maximum grant available under the program will be NIS 15 million.

Applications will open on July 26, 2026, and applicants will receive a decision within four weeks of submission.

Gila Gamliel, Minister of Innovation, Science and Technology: "Israeli high-tech is far more than an economic growth engine, it is a reflection of the entrepreneurial spirit, creativity, and resilience of Israeli society. Our policy is to provide certainty, foster innovation, and give high-potential companies the conditions they need to continue breaking new ground. In doing so, we will preserve Israel's competitive advantage and continue building an innovative, competitive, and prosperous economy for generations to come."

Dror Bin, CEO of the Israel Innovation Authority: "Israeli high-tech is the primary growth engine of the Israeli economy, yet even outstanding companies can be affected by macroeconomic changes beyond their control. The rapid appreciation of the shekel has significantly eroded the value of both capital raised and revenues generated by young companies, shortening their operational runway precisely at the stage when they must continue investing in research, development, and accelerating growth. The new program is designed to provide high-potential companies with the time and certainty they need to continue growing, achieve important technological and business milestones, and enter their next funding round, or continue executing their business plans, from a stronger position. Preserving the continuity of innovative companies during their growth stages is of strategic importance to the Israeli economy, as these are the companies expected to become the leading technology companies of the coming years."

Dr. Alon Stopel, Chairman of the Israel Innovation Authority: "The Israeli high-tech sector has repeatedly demonstrated its resilience and ability to navigate periods of crisis. Yet it is our responsibility to provide systemic support in the face of extreme macroeconomic volatility. The joint initiative we are advancing together with the Ministry of Finance reflects the State's deep commitment to safeguarding the engine of Israel's economy. The strengthening of the shekel has created a significant monetary challenge that is affecting the operational outlook of outstanding technology companies, irrespective of the quality of their innovation or the strength of their business models. Our foremost responsibility at this time is to provide them with an effective safety net and an appropriate financial bridge, enabling them to retain their exceptional human capital and technological excellence, continue developing breakthrough innovation in Israel, and preserve the country's competitive position on the global stage."

Key Features of the Program:
- NIS 1 billion funding program.
- Fast-track funding mechanism for startups and early-stage growth companies.
- Designed for companies with an operational runway of less than 12 months.
- Extends companies' operational runway by an additional six months.

The program, made possible through additional funding provided by the Ministry of Finance, is intended to deliver targeted support to high-growth innovation companies whose operations have been affected by the rapid appreciation of the Israeli shekel.

It is based on the understanding that companies that raised enough capital to finance approximately two years of operations have effectively lost around 20% of their planned operational runway due to exchange-rate fluctuations. As a result, many companies are being forced to enter their next fundraising round earlier than planned, often before achieving the technological and business milestones they had intended to reach, and in a significantly more challenging market environment.

The program is intended to provide these companies with the additional time they need to continue their research and development activities, complete technological milestones, further validate their products, strengthen their commercial position, and enter their next investment round from a more mature and competitive position.

The program is intended for startups and early-stage growth companies whose expenses exceeded their revenues during the 12 months preceding their application. Eligible companies must also have annual expenses of at least NIS 1.5 million but no more than NIS 100 million, with at least 50% of total expenditures allocated to research and development and at least 50% of total expenditures incurred in Israel and denominated in Israeli shekels. In addition, applicants must have an operational runway of less than 12 months, and the company must be no more than 15 years old.

Companies that have not raised capital during the past three years but finance part of their operations through sales revenues will also be eligible, provided they can demonstrate that at least 50% of their revenues are generated in foreign currency. This requirement is intended to ensure that companies growing through revenues, rather than fundraising alone, are also demonstrably affected by the appreciation of the shekel and therefore qualify for support.

As part of the application process, companies will be required to submit a detailed business plan together with a comprehensive research and development plan. Applications will be evaluated based on the overall quality of the company, the technological assets it has developed, and its technological and commercial potential. The evaluation will consider, among other factors, the level of innovation, the quality of the company's technological assets and products, its competitive advantage, the strength of its intellectual property portfolio, growth potential, target market size, the capabilities of its management team, the quality of its investors, its ability to raise capital, and its expected contribution to the Israeli economy.

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