CIT

Sector Adoption Program

Program Guidelines

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Program Overview and Benefits

As part of the broader Critical Industrial Technologies initiative, the Sector Adoption (SA) Program is a challenge based multi-partner program that drives significant impact and advancement of a whole sector.

Industry driven challenge statements across CIT's four focus sectors (advanced manufacturing, mining, agri-food, and construction) and/or six critical technologies (5G and advanced networks, AI, blockchain, cybersecurity, robotics and quantum) will be available will be available for viewing on the OCI/CIT website upon their individual launch. Eligible company consortia are welcome to apply.

The CIT-SA program contributes up to one-third of eligible project costs for approved projects up to a maximum of $1,000,000, with the remainder contributed by Applicants and/or private sector partners.

At project completion, recipients are required to demonstrate their product and/or service developed or advanced through Ontario's support. Please note that any public communications about the project, CIT, or Ontario funding will require review and approval from OCI prior to release. Sharing information and achievements through showcase events and media communications is encouraged and will be supported.

The SA Program is delivered by OCI on behalf of the Ontario Ministry of Economic Development, Job Creation and Trade.

Benefits to Lead Applicant and Project Partners	Benefits to Society
- Product/service enhancements through the adoption/integration of critical technologies - Development of scalable solutions that can be readily commercialized, with potential for broader market adoption across Canada and internationally. - Develop relationships, collaboration, and public/private partnerships. - Increase productivity, revenue, and jobs	- Significant advancement and impact for the challenge statement sector - Innovative solutions to current industry challenges - Growth of the industry and sector in Ontario.

How Funding Works

CIT Contribution	**Reimbursement** of one-third (maximum) of total eligible project costs, up to $1,000,000. Maximum to be defined in the posted Challenge Statement
Matching Requirement	Two-thirds (minimum) of total eligible project costs (i.e., minimum 2:1 match to CIT contribution) • Contribution match may come from *Applicant* and/or *Partners* • Contribution match MUST be in the form of **private** sector contributions, and be unencumbered from other government grant sources
Example	Total Eligible Project Costs: $3,000,000 • Maximum OCI Contribution: $1,000,000 • Minimum private sector contribution: $2,000,000
Funding Recipient	CIT funds flow only to the Applicant (ON SME). The Applicant is responsible for reimbursing Partners, if applicable.

Eligibility Requirements

Lead Applicant

- A small- and medium- sized enterprise (SME) with fewer than 500 global full-time employees.
- Must have registered operations (R&D, manufacturing, product management, etc.) in Ontario and a valid CRA business number.
- *Applicants* who have received over $500,000 of funding from OCI administered programs in their lifetime (excluding TalentEdge) are required to obtain OCI approval before a new application for funding is initiated. Your Business Development Manager can guide you through the process.
  - The applicant must have a validated, innovative product/service or technology that can be a solution to the SA Challenge for which they are applying.
- The *Applicant* is a co-signatory to the Funding Agreement.
- Additional Applicant eligibility requirements may vary by Challenge Statement.

Primary Partners

A Primary Partner is an organization directly participating in the challenge project and whose participation demonstrates "market pull" (e.g., as a customer) for the Applicant's technology/project solution.
  - Applicant and Primary Partner must have an arm's-length business relationship.
  - The Primary Partner may participate in multiple concurrent projects.
  - The Primary Partner is a co-signatory to the Funding Agreement.

The Primary Partner may be:
  - Small and Medium-Sized Enterprises (SMEs)
  - National and Multi-National Enterprises (NEs and MNEs)

- Academic institutions (as clients only)
- Municipalities
- Crown Corporations
- Indigenous Communities
- Not-For-Profit Organizations representing industry

Other Partners

Other Partners are additional organizations directly contributing and/or participating in the project.

- Partners providing matching leverage counted in the 2:1 industry contribution must be co-signatories to the Funding Agreement.
- An unlimited number of additional Other Partners can join the project consortium.

Project

- Projects must be developed in response to an active SA Challenge Statement, posted by OCI and show a clear fit with the industry priorities outlined in the Challenge Statement.
- Must involve one Applicant and minimum of one Primary Partner.
- At the full application stage, the application must be developed in partnership with the project partners.
- Areas of technology interest and expected project outcomes will be defined in the SA Challenge Statement
- Project activities are carried out in Ontario.
- Minimum 2:1 contribution match by Applicants and/or industry Partners.
- The expected project timeline will be defined in the SA Challenge Statement.
- Project activities may vary by SA Challenge Statement, but this program is not intended for research to prove feasibility or basic technology research. Projects should be at Technology Readiness Level 3-9.
- Typical project activities include technology/product/service development, validation, testing, piloting, demonstration, commercialization, and deployment of products and services.
- Applicant and Partners should demonstrate close collaboration and scalable outcomes with high potential for commercialization, strong commercial pull, competitive advantage, and alignment with intended program benefits.
- Projects should demonstrate economic, environmental, or social benefit for Ontario. This includes direct economic benefit (e.g., new jobs, increased revenue, increased productivity, cost savings), and/or indirect economic benefit to other members of the value chain, partners, or industry in Ontario (e.g., job creation, capacity building, strategic benefit). Contribution to the training and industry exposure of Highly Qualified Personnel (HQP) at the company is also a desired element.
- Intellectual Property (IP) arising from the project will be managed by the Applicant and project participants as OCI does not claim or manage IP rights. Successful applicants and Project Partner(s) must execute OCI's funding agreement, including an executed Intellectual Property Statement, where the IP agreement between all the project partners will be outlined.

How to Apply

Program Status: ✓ Open for Applications

Applications may be submitted in response to an active SA Challenge Statement. Challenge Statements will be posted on a rolling basis on the OCI website, and applications must be submitted before the Challenge Statement closing date.

To stay up to date with active SA Program Challenge Statements, please sign up for the OCI's Mailing List or follow CIT Ontario on Twitter (X). Click here to view Challenge Statements on the OCI webpage.

Application deadlines will vary by SA Challenge Statement and will be posted at the time that the Challenge Statement is released.

Application Process

1. To begin an application for the SA Program, the lead applicant (from an eligible Ontario-based SME) should complete a client intake form.

   Please note completion of this form does not constitute an application for funding.
   An OCI Business Development Manager (BD) or CIT Sector Manager (SM) will contact you within two business days to discuss the opportunity. If you are already working with a Business Development and/or CIT Sector Manager, please indicate this in the form.

2. If the proposed project meets program eligibility, criteria and suitability, a link to the Expression of Interest form will be sent to the lead Applicant.

3. Applicants should submit their EOI within the designated timeframe for review.

4. Applicants whose EOI are selected by the EOI Review Panel will be invited to submit a Full Application to OCI through OCI's online AccessOCI system.

5. Complete the online Full Application forms on AccessOCI.

    Required supporting documents:
    o Resumes/CVs from relevant team members
    o Letter of Support from the Industry Partner
    o IP Statement

Applications must be accompanied by a signed Letter of Support (LOS) from contributing Partner organizations, confirming financial commitment to the project, activities, duration, resources as a "Project Contributor/Partner," and acknowledgement of the requirement to sign the standard OCI Funding Agreement. A template is available as reference; although its use is optional, all items listed must be included in your letter.

Applicants should start negotiations with their project Partner(s) regarding intellectual property (IP), preferably before submission of the application.

6. Request your OCI BD to provide an endorsement of the application. <u>The endorsement must be requested at least one week prior to the Challenge Statement deadline. Once the BD</u> endorsement is provided, a submission button will become visible, and the applicant or BD will then be able to submit the application.

7. All submitted full applications will undergo an initial internal review by OCI for eligibility, application completeness and eligible expenses. A list of any deficiencies will be sent to the applicant for revision.

8. Applicants who meet a minimum scoring threshold will be invited to present their proposals in person or by video conference to the Extern Review Panel (ERP).

9. The ERP makes funding recommendations to OCI's Internal Review Panel (IRP), who makes the final decision.

10. Successful Applicants will be notified by OCI and provided an outline of conditions and additional information necessary to activate the project. Applicants who are not selected will be notified by OCI. Feedback on the decision can be provided by their BD.

Reference Documents
The OCI Funding Agreement, the Eligible Expenditures Guide, the Letter of Support Template, IP Statement documents are available for your perusal.

Assessment Process and Criteria

The Sector Adoption Program is a discretionary, non-entitlement program with limited funding. OCI will fund qualified projects with the potential for the greatest economic benefits and contribution relative to the set Challenge Statement and CIT sectors. Not all eligible applications can be funded.

All eligible projects are assessed on their merit and undergo a review process against program objectives and assessment criteria.

EOIs (Expression of Interest) and Full Applications are internally reviewed for eligibility, completeness, and financial compliance, prior to evaluation by independent external reviewers with domain and sector expertise. All reviewers are bound by Non-Disclosure Agreements (NDAs). The final funding decision is made by OCI.

Evaluation Criteria

Evaluation criteria include, but are not limited to, the following:

- Address the needs and objectives of the posted Challenge Statement and Key Sector
- Demonstrate applicability and benefit of one or more Critical Technologies leading to novel, newly adapted or adopted processes, products, and/or services.
- Demonstrate innovation in the context of current technical and commercial developments.
- Demonstrate appropriate skills, resources, and methodology to complete the project. Including clarity of roles and responsibilities, feasibility and appropriateness of the project plan and budget.
- Anticipate tangible deliverables in the form of new technologies, new processes, significant skills transfer, job creation, or other benefits to society.
- Demonstrate an opportunity for close collaboration between the Applicant company and Project Partner(s)
- Evidence of next steps, and clear strategy and capacity to bring the results to market.
- Clarity of the significance of the opportunity and expected economic benefit to the Applicant Company, the Project Partner(s) and Ontario (e.g., new revenues, job creation/retention, productivity improvements)
- Overall quality and completeness of the application

Flow of Funds and Project Administration

Project Activation

The Applicant, Primary Partner, and Secondary Partners must execute the OCI Funding Agreement, within 30 days of the announcement of award.

The executable agreement with schedules specific to the approved proposal will be generated through our online management system and sent to all contracting parties.

Flow of Funds

- OCI funds flow only to the Applicant. The Applicant is responsible to reimburse Partners, if

applicable.

- Reimbursements are triggered by the submission and approval of claims and reports.
- Reimbursement claims from the Applicant to OCI are made when submitting interim and final reports and paid following approval.
- 10 per cent hold-back remitted upon submitted and approved final report.
- Payments are based on the total SA award project value.

Use of Funds

OCI funds can only be used for eligible expenses per the eligible project expenditures document.

Project Reporting Requirements

Reporting instructions and templates will be sent to successful parties at the time of reporting. Reports must be received and approved by OCI prior to release of funds for eligible claims.

Please note that to receive funding from OCI, the applicant MUST complete all required reports as a contractual obligation.

Note: **Applicants MUST** *retain all proof of purchase, receipts, and other relevant documentation relating to eligible expenses. These should be included in the Interim and Final Report.*

The following project reports will be required.

Interim Report(s)

- Interim report(s), including progress, project metrics, proof of expenditures, partnership contributions, financial attestation, and a request for reimbursement must be submitted by the Applicant. The reports are due three months after the project starts, six months after project start and at the project end date.

The Report form is accessed directly on the AccessOCI system from the Report Tab.

Final Reports

A final report, including progress, project metrics, data, and information requirements, claim form, proof of expenditures and partnership contributions, financial attestation, and a request for reimbursement is required at the end of the project. Forty-five (45) days prior to the scheduled completion date, the Applicant and project partner(s) will receive an email notification of the project end date from the AccessOCI system, with a link to the Final Project Report, should the Applicant or project partner(s) wish to begin entering data.

- Applicants can request early reporting by emailing the Program Manager.
- On the scheduled project completion date, the Applicant and project partner(s) will receive another notification and a link to complete a Final Project Report the AccessOCI system.
- Applicants and project partners must submit their Final Reports within 30 days of project completion to be reimbursed for eligible expenses, release the holdback, and maintain good financial standing with OCI.
- If an extension to complete the project is required, the Applicant must request it prior to the

scheduled project completion date, using the Project Administration tab in their AccessOCI project file. OCI must approve all extensions in advance. If approved, a maximum extension of three months will be allowable.

Project Metrics

If the project continues past a fiscal year end (March 31), the Applicant and project partner will be required to complete an annual Metrics survey each April, for the part of the project that has been completed since the previous March 31. This annual report is mandatory for OCI to fulfil its contract with its funding Ministries. Required metrics reports from all partners must be submitted in order to maintain good financial standing with OCI.

Retrospective Survey

At one, two, and three years after project completion, the project partner will be sent a link to complete a retrospective survey to collect data on commercial outcomes from the project. This information is required by OCI for assessment of program impact and continuous improvement.

Project Changes

If required, Applicants MUST request project extensions, milestone variances, and/or variances to the project partners, scope of work or budget exceeding 10% of any budget category value, using the Project Change Request form in the Project Administration tab in their AccessOCI project file. Such requests must be made at the earliest possible opportunity and approved before any planned changes are implemented.

Contacts

For questions about the program, please contact:

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