

THE **STF** <sup>R</sup>...  
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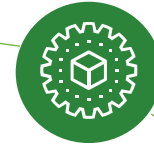
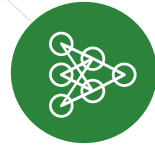
*BY SUPPORTING ALL LARGE SCALE PROJECTS TO MEET  
OUR OWNERS' NEEDS THROUGH OUR OWNERS' SYSTEM*

# STRATEGIC INNOVATION FUND

## The Strategic Innovation Fund

### Maximizing Cleantech Funding

November 2022



# SIF Quick Facts

**Innovation** The implementation of ideas that result in the introduction or improvement of goods or services. There are several forms of innovation:

- Incremental innovation – A change that results in the improvement of offering goods or services
- Adjacent innovation – New product or process intended to support another innovation
- **Disruptive innovation – A change that permanently impacts how processes operate**
- **Radical innovation – An idea that creates an entirely new way to meet needs**

Additionally there is also the differentiation between product and process innovation.

## **Innovation vs. Technology Adoption**

- Innovation refers to projects that produce Global First, National First, or Market First technology advantages
- Technology Adoption refers to projects that use existing state of the art technology

SIF has interest in projects that provide new innovation, and less interest projects that merely adopt what currently exists.

# SIF Quick Facts

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**SIF funds projects.** Projects are identified as having:

- Objective: Intended outcome
- Milestones: Predefined measure of progress
- Deliverables: Produced benefits of the completed project
- Set Duration: Project development timeframe and payback period
- Set Budget: Total investment required to achieve objective

**Contribution based support.**

- Project proponents must first incur expenditures - eligible expenditures will be reimbursed by SIF

**Repayable.**

- Most SIF support is provided as repayable contributions (up to 20 year pay back period)
- Not-For-Profit proponents (Stream 4 & 5 projects) can receive non-repayable support from SIF

# Supporting 5 types of projects in two categories

## Business, Innovation & Growth

(for-profit companies incorporated in Canada – small, medium or large)

**Stream 1**  
Support R&D

**Stream 2**  
Facilitate scale Up

**Stream 3**  
Investment attraction

## Collaborations & Networks

(e.g. networks of academic institutions, non-profit organizations, private sector consortia)

**Stream 4**  
Tackle grand innovation challenges

**Stream 5**  
Support national ecosystems

# SIF Stream 1 – Support R&D

## Objective

To accelerate the commercialization of new products, processes and services

- Technology Readiness Levels (TRL) 1-9

## Eligibility

- Project proponents must be
  - For-profit corporations
  - Incorporated in Canada
  - Post revenue
  - Financially stable
- Project must occur predominantly in Canada

## Examples of Eligible Projects

- R&D to test the commercial potential of an early TRL concept or finding;
- Adaptation of research findings for commercial applications that have the potential for market disruption;
- Development of current products / new technology that will enhance the recipient's competitive capability; and
- Improvement of processes to reduce the environmental footprint of production through the use of new technologies.

# SIF Stream 2 – Facilitate scale Up

## Objective

- To anchor and grow innovative firms in Canada
- Technology Readiness Levels (TRL) 8-9

## Eligibility

- Project proponents must be
  - For-profit corporations
  - Incorporated in Canada
  - Post revenue
  - Financially stable
- Project must occur predominantly in Canada

## Examples of Eligible Projects

- Increasing manufacturing capacity to meet demonstrated market demand;
- Increasing research and development capacity in response to market trends;
- Improving production efficiency through improvements to plant and equipment; or
- Improving processes to increase efficiency and/or reduce GHG emissions.

# SIF Stream 3 – Investment attraction

## Objective

To Attract and retain large scale investments into Canada

- Technology Readiness Levels (TRL) 2-9

## Eligibility

- Project proponents must be
  - For-profit corporations
  - Intending to Incorporate in Canada
  - Post revenue
  - Financially stable
- Project must:
  - Occur predominantly in Canada
  - Establish or grow a new research and/or production mandate in Canada

## Examples of Eligible Projects

- A Canadian company establishing a new production facility which did not previously exist in Canada;
- A foreign company establishing Canadian operation to fulfil some national strategic priority
- Obtaining a production mandate for a new product or which was previously produced outside Canada; and
- Obtaining an R&D mandate which was previously held outside Canada or is being established for the first time.



# SIF Stream 4 – Tackle Grand Innovation Challenges

## Objective

Competitive calls for collaborative industrial R&D and tech demo projects

- Technology Readiness Levels (TRL) 1-7

## Eligibility

- Lead Applicant: Canadian incorporated not-for-profit
- Consortia can include:
  - Canadian universities,
  - Colleges,
  - Research institutes,
  - For-profit and not-for-profit corporations
- Project must occur predominantly in Canada

## Examples of Eligible Projects

- Development by a lead Tier 1 original equipment manufacturer company of a potential new product utilizing academic research findings, conjunction with SME suppliers and research councils.

# SIF Stream 5 – Support National Ecosystems

## Objective

Invest in strategic, high impact collaborations in areas of Canadian advantage

- Technology Readiness Levels (TRL) 1-9

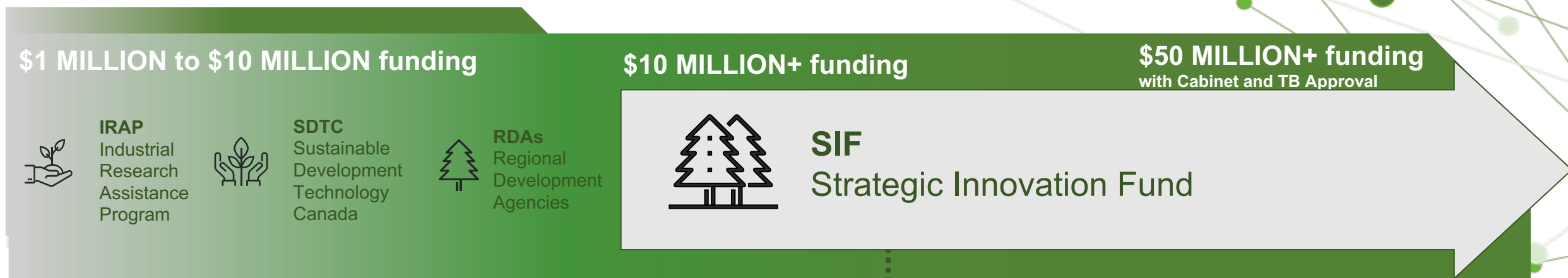
## Eligibility

- Lead Applicant: Canadian incorporated not-for-profit
- Consortia can include:
  - Canadian universities,
  - Colleges,
  - Research institutes,
  - For-profit and not-for-profit corporations
- Project must occur predominantly in Canada

## Examples of Eligible Projects

- Eligible activities will be those that facilitate collaboration among key players in the Canadian R&D community (i.e. researchers from industry, national and regional research institutes, and academic institutions) and Canadian businesses (i.e. SMEs and large corporations), and provide financial support for collaborative projects.

# SIF funds large and long-term projects



**Large scale projects:**

- Min. \$10M ask towards total project costs of at least \$20M
- Cabinet and Treasury Board approval for \$50M+ ask

**Leveraging private investments:**

- Federal contributions cover 10-50% of total project costs
- Multiple government funding → staking limit of 75% of eligible costs

**Supporting the Canadian innovation ecosystem:**

**Business Innovation & Growth:**

- Support R&D
- Facilitate scale up
- Investment Attraction

**Collaborations & Networks:**

- Tackle innovation challenges
- Support national ecosystems

**Long term agreements:**

From 10 to 25 years:

- 3 to 5-year work phase
- 2 year grace period
- Up to 20 years in repayment and benefits commitments

**Securing benefits for Canadians:**

Secure long-term commitments to create and maintain jobs, R&D, and retain IP in Canada (contractual obligations)

**With a variety of contribution repayment terms:**

- **Repayable;**
- Non-repayable; or
- Combination of the two

# SIF's 2-step application process

NZA applications follow the standard SIF process, with special considerations given to associated reductions of GHG emissions

## Acknowledgement of Receipt:

Within 24 hours of submission

*SIF outreach call to company  
within 15 days of submission*

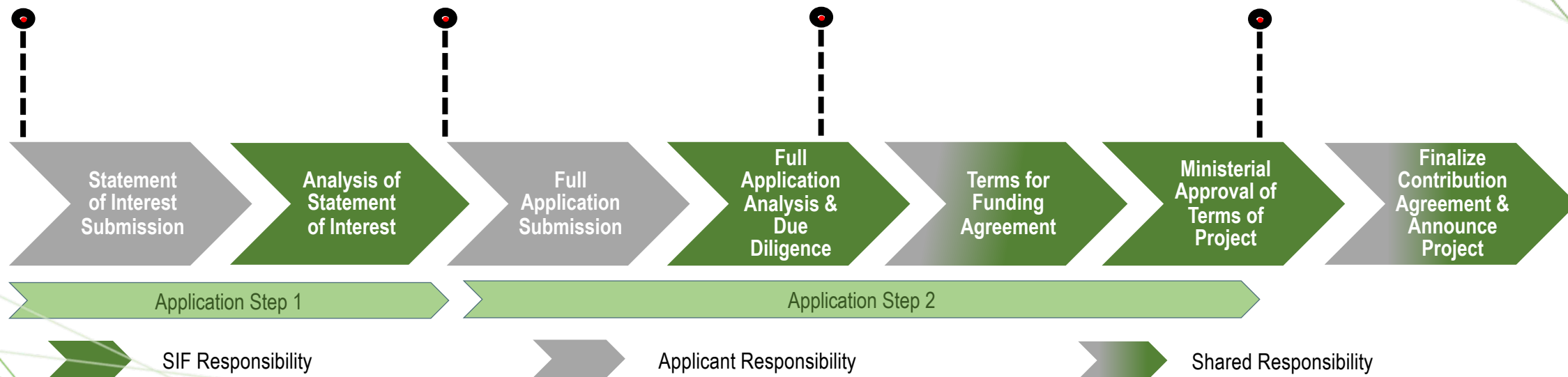
## Notification of Results of SOI Assessment:

Within 80 business days  
of receipt of statement of  
interest

**Due Diligence Assessment**  
(including the use of internal  
and external expertise +GHG  
validation for NZA projects)

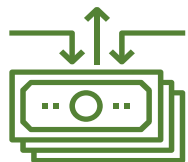
## Confirmation of Results

**Notification of Ministerial  
Approval of Project**



**SIF is a continuous intake program, receiving and assessing new project proposals year-round (for all streams except stream 4, which is a competitive call-out)**

# Designed to attract and select high benefit projects



## **Economic benefits**

Long-term high-skill job footprint, significant FDI/greenfield/brownfield investment in Canada, incremental activities to strengthen supply chain support for SMEs and commercialization



## **Innovation benefits**

Collaboration to enable disruptive innovation, commercialization of new IP, high R&D in Canada, new technology with potential for market disruption



## **Public benefits**

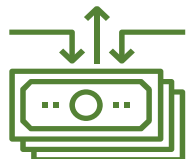
Environmental benefits, collaboration with academic and research institutions, robust diversity and inclusion plan

# Designed to attract and select high performing applicants



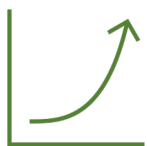
## Management capability

Assessment of the applicant's ability to deliver on the project e.g. secure/provide required funding, remain solvent, and ability of senior management to undertake a project on scale of proposal. Ability to manage operation following project completion.



## Financial capacity

Cash flow and other financial resources to ensure that the applicant can fund front-end procurement of eligible expenditures in advance of program reimbursement.



## Growth trajectory

Assessment of the applicant's corporate track record relating to market penetration, mergers/acquisitions, partnerships, product line growth, and entry into new markets

# Partner Engagement and Outreach

## Relationship Building

- Assisting partners tracking proposals
- Informing partners on assessment priorities
- Educating partners and applicants about SIF



## Collaboration

- Co-funding
- Information Sharing



## Referral

- On-ramping
- Off-ramping
- Screening and triage

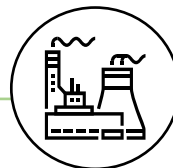


# SIF's Net Zero Accelerator (NZA)

To support the Government of Canada's climate agenda, the NZA has \$8 billion in funding across three overarching priorities:

## Decarbonizing High Emitting Sectors

- Support Canada's largest industrial emitters to dramatically reduce their GHG footprint faster and with less financial risk



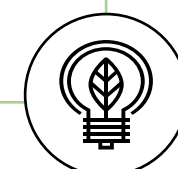
## Green Industrial Transformation

- Position other key industrial sectors (automotive, aerospace, mining and others) for success – securing first-mover advantage in a low-carbon global economy



## Clean Tech Development & Battery Ecosystem

- Establish Canada as a clean tech leader, enabling domestic decarbonization and industrial transformation, while capitalizing on new growth opportunities





# Large emitter and transformative decarbonization projects are selected based on key criteria

Major domestic GHG emission reductions

Major contributor to Canada's GDP

**Key project selection criteria**

Financial and management capability

Requires intervention to transition to net-zero economy

Positions key sector to compete in low-carbon economy

One of Canada's highest emitting industries

## Successful SIF-NZA projects often include high benefits:

- **Economic:** Creation or retention of long-term high-skill jobs; significant FDI/greenfield/brownfield investment in Canada; integration within the Canadian ecosystem, including engagement with SMEs and opportunities for Indigenous businesses
- **Innovation:** Adoption, deployment or commercial demonstration of new clean technologies; commercialization of new IP or inclusion of new R&D activities; advancing innovation that has the potential for market disruption
- **Public:** Other environmental benefits; collaboration with academic and research institutions; a robust diversity and inclusion plan; some level of prioritization by provincial partners

# Recently Announced Information

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## Announced Projects

- Air Products (Project Cost \$1.6B; SIF Support \$300M)
- Attabotics Inc. (Project Cost \$ 73.3M; SIF Support \$34M)

## Alberta Projects in SIF Pipeline

### Call To Action Projects Retained For Further Consideration

- Capital Power Corporation
- ENMAX (Shepard Energy Centre)
- Lafarge Canada Inc.
- Suncor ATCO Heartland Hydrogen Hub
- Alberta Power (2000) Ltd. (Heartland Generation)
- Dow Chemical Canada ULC (Decarbonization Component)

### Other Projects

- Capital Power Corporation

# Applying to SIF

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## **Intake Program (Streams 1,2,3, &5)**

- Public Intake Process
- Trusted Partner Referrals
  - (Referral on ramping, Referral off ramping, Co-funding)

## **Call For Proposals (Stream 4)**

- Call To Action
- Call Out

# Thank you!

## Contact us

Have a SIF inquiry or considering your project?

SIF encourages **pre-application consultation** for all projects seeking funding. Potential applicants are invited to email us: [perry.eddy@ised-isde.gc.ca](mailto:perry.eddy@ised-isde.gc.ca) to coordinate proposal guidance



## Get informed

Set yourself up for success and guide your application through the [SIF toolkit](#)

## How to apply

Request the SIF Statement of Interest application package by e-mail:

[ic.sifadmission-fsiadmission.ic@canada.ca](mailto:ic.sifadmission-fsiadmission.ic@canada.ca)

