

# **Program Guide**

# **HORIZON AI**

# **Technology Commercialization Stream**

Funded by the Commercialization Pillar of the Pan-Canadian Artificial Intelligence Strategy (PCAIS)

Horizon AI is a specialized program focused on capturing economic potential from Applied AI. By building a commercially focused AI ecosystem through technology commercialization, talent and global advantage streams, DIGITAL is helping Canadian organizations create a global competitive advantage that enables market leadership and accelerated revenue growth.



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#### Disclaimer

This document provides information about the fit end eligibility of proposed projects that will be considered for DIGITAL's co-investment in projects in the new Technology Commercialization Stream of the Horizon AI program, supported by the federal Pan-Canadian Artificial Intelligence Strategy (PCAIS). This guidance does not bind us or Innovation, Science and Economic Development Canada (ISED) and is subject to change at any time based on guidance from ISED or our Board of Directors.



## Introduction

Through funding from the <u>Commercialization Pillar of the Pan-Canadian Artificial Intelligence Strategy</u> (PCAIS), DIGITAL is establishing a new program, Horizon AI, focused on capturing economic potential from Applied AI. By investing in efforts to drive the adoption of artificial intelligence (AI) across Canada's economy and society, DIGITAL is enabling the commercialization and adoption of Canadian-owned AI solutions. This helps ensure that Canadian ideas and knowledge are mobilized and commercialized here at home and abroad.

Horizon Al's Technology Commercialization Stream goes beyond research and development to include the early commercialization and adoption of Canadian-owned Al solutions that also enables the growth and scale-up of Canadian companies. Our collaborative approach to demand-driven innovation provides opportunities to pave pathways for market adoption and commercial success in domestic and international markets.

By co-investing in the early stages of commercialization and adoption of Canadian-owned AI solutions, DIGITAL will help Canadian tech companies strengthen their intellectual property and data management strategies; refine their commercial plans and product development roadmaps; and address adoption and procurement requirements in their target markets in and outside of Canada.



#### **Areas of Interest**

DIGITAL will co-invest \$20 million of funds from the Commercialization Pillar of the federal Pan-Canadian Artificial Intelligence Strategy, alongside industry, that will result in more than \$60 million of new investment in the commercialization and adoption of innovative AI technology solutions. By co-investing in 10 to 15 ambitious projects that address global challenges, Canadian companies will scale-up by seizing new commercial opportunities and gaining market adoption of AI technology solutions within Canada and in international markets.

DIGITAL aims to co-invest in projects that support the early commercialization and adoption of AI technology solutions in the following areas of interest:

- Al for Health: Using Al to support the resiliency and sustainability of health care systems and advance care in ways that support healthy living, is easy to access and delivers positive outcomes. Examples include, but are not limited to:
  - Equitable access through innovative models of care;
  - Personalized coaching for wellness, mental health and living with chronic conditions;
  - Advanced diagnostics and treatments, including clinical decision support, personalized medicine and drug discovery.
- Al for Earth: Using Al to advance environmental health and support the transition to clean agriculture & natural resources. Examples include, but are not limited to:
  - Smart farming, food security and waste reduction;
  - Green exploration, extraction and delivery of Canadian natural resources in support of forestry, low impact mining and securing critical minerals;
  - Environmental protection;
  - Preparedness and response to natural disasters (i.e., floods, wildfires).
- Al for Service: Using Al to augment service and support decision making with virtual assistants. Examples include, but are not limited to:
  - Reduce the time spent on documentation and administrative tasks:
  - Customer service across retail and e-commerce to healthcare, finance, telecom, automotive and other consumer-focused business sectors.



#### **Target Outcomes**

Collectively, the successful 10 to 15 projects will form a high-profile AI ecosystem commercialization pipeline that will:

- result in the commercialization and adoption of new and innovative Canadianowned AI solutions starting with 30+ executed license agreements with customers and more than \$500 million of revenue potential by 2030;
- support the scaling of 15 to 20 high potential, growth oriented Canadian technology companies; and
- attract \$40M+ of matching investment from industry and other organizations.

The commercialization pipeline will feature projects that prioritize the generation of new product revenues, case studies and business case validations that unlock the potential of scalable, globally significant applied AI commercialization opportunities. Desirable outcomes include:

	Commercialization by	Customer Adoption (Including
	Technology Solution Providers	International Markets)
New Product Revenues	Sales (revenue) generation with signed license and/or services agreement with early adopter reference customers	Procurement of technology solution (i.e., signed license agreement with ongoing financial obligations) by early adopter customers
Case Studies	Reference customer(s) with real- world case studies and proof points for use cases, performance and adoption barriers	Reference customer site(s), published case studies, testimonials and quotes
Business Case Validation	Confirmation of commercial models and business operating models which may include:  • finalized distribution/channel partner agreements,  • validated of product/market fit and competitive positioning,  • updated IP strategy and additional IP protections,  • refreshed product strategy and roadmap.	Business case (benefits realization/ROI) and feedback to advance product and inform product roadmap.



# **Foundational Principles**

#### **Collaborative Innovation**

Collaborative innovation is the concept of working together to do something that has not been done before and cannot be done alone – building trusted relationships and sharing knowledge, risk, financial investment and the resulting benefits. This means more than just investing dollars. It is about doing things differently - leveraging each others' strengths to drive innovation, overcome challenges and explore new opportunities.

The ideal project consortium:

- is led by an AI technology product company who owns and will continue to invest in the AI technology solution(s);
- involves potential early adopter customers to validate product-market fit and demonstrate the benefits of implementing and adopting the Al-solution(s); and
- engages one or more research or post-secondary academic institutions.

All consortia are expected to have diverse and inclusive teams that create equity through the meaningful participation of women, Indigenous Peoples and other under-represented groups.

Consortia are expected to have frameworks and mechanisms to ensure the safe and responsible use of AI and data to meet the demands of customers and regulators. The commercial partners should understand the competitive landscape in their target markets and have robust Intellectual Property (IP) strategies and protections that ensure their freedom to operate.

#### **Co-Investment**

The term "co-investment" refers to the concept that the consortium partners, including DIGITAL, are sharing in the total investment required to fund the collective project costs.

Financial commitments – both costs (uses of funds) and investment (sources of funds) of each consortium partner are to be outlined in a project budget that forms part of the Full Project Proposal. Refer to the <u>Co-Investment Guidelines – Pan-Canadian Artificial Intelligence Strategy - Commercialization Pillar Funds</u> for more information about our approach to co-investment and the eligibility of project costs and uses of DIGITAL's funds from the Commercialization Pillar of the Pan-Canadian Artificial Intelligence Strategy.



#### **Demand-Driven**

DIGITAL will co-invest in the early commercialization and adoption of Al-technology solutions that aim to solve market-validated problems in target markets within Canada and abroad.

Consortia need to demonstrate high potential for scaling growth of Canadian companies (including SMEs<sup>1</sup>) and together bring a proven commercial track-record and a strong understanding of their target markets to inform a compelling commercial strategy and goto-market plan.

Consortia must include organizations that represent potential customers and/or distribution channel partners that will provide advice, guidance, requirements and market validation through early customer adoption. Where the users and buyers are different (e.g., healthcare), the consortia should include both perspectives – to consider usability and adoption needs as well as procurement. These partners will trial the AI technology solution during the project to demonstrate product-market fit and prove the benefits that can be realized by using the AI technology. Potential customer partners are expected to:

- Participate in an implementation, proof of value, or trial period to evaluate the use of the AI technology and validate expected outcomes;
- Develop a case study that can be used for marketing purposes;
- Provide feedback to advance the AI technology solution and inform the product roadmap, and
- Ideally, procure the technology solution (i.e., sign a license agreement with ongoing financial obligation) if the AI technology solution meets their pre-defined business and procurement requirements.

<sup>&</sup>lt;sup>1</sup> ISED uses the term 'SME' to refer to businesses with fewer than 500 employees globally.



# **Project Eligibility**

DIGITAL will evaluate and select projects proposals from consortia that aim to develop and commercialize AI technology solutions with early adopter customers and address well-defined problems in the Areas of Interest described above.

Projects may be a combination of one or more of the following:

- "Follow-on" opportunities to support the early commercialization and adoption of Al technology solutions that were developed with prior investment from DIGITAL;
- Early commercialization and adoption of existing Canadian-owned AI technology solutions in new target markets (i.e., international expansion, adjacent markets);
   and
- Improvements or new developments to address verified product/market fit gaps for the purposes of commercialization and adoption of the AI technology solution.

Projects must be **incremental** to the regular business undertakings of any of the individual participating organizations. All project partners need to confirm that the project:

- Is not already approved or in progress;
- Financial commitments are distinct from investments that would have otherwise occurred; and
- Would not be undertaken at the same scope or scale without the participation and co-investment commitments from DIGITAL and the partners.

Projects must deliver quantifiable benefits for Canada and benefits must accrue to more than a single organization.

- Consortia must aim to generate value for the Canadian economy by:
  - Demonstrating a clear path to commercialization with growth opportunities for Canadian companies in international markets;
  - Growing and scaling world-leading Canadian enterprises, including SMEs; and
  - Creating jobs and developing a diverse and digitally skilled workforce in Canada.
- All improvements to existing Background IP and any newly created Foreground IP arising through DIGITAL's co-investment must be owned by Canadian entities that have substantial operations in Canada.



#### Consortia

All types of organizations, including those located outside of Canada, are encouraged to participate in a project consortium. **A minimum of three organizations** (excluding DIGITAL) must participate and contribute in a meaningful way, and their contributions do not need to be equal. Each organization is expected to have clear roles and responsibilities, deliverables and financial commitments, which could also be conducting research or evaluations, providing services or bringing experience in certain markets.

- **Projects must be industry-led**. The lead organization will have overall accountability for project governance and reporting.
  - The lead organization is the commercialization entity for the AI technology solution. Ideally, they are also the product company who owns and will continue to invest in the AI technology solution(s).
  - The lead organization is expected to make a material financial contribution to the project and be seeking DIGITAL co-investment.
- At least one must be a Canadian SME.
- At least one organization representing a potential customer of the Al technology solution.
- A research or post-secondary academic institution is strongly encouraged, especially to conduct independent evaluations or develop case studies that prove benefits realized by using the AI technology.
- All consortia must have experienced and proven project management
  capabilities for complex, multi-party collaborative initiatives. Consortia are strongly
  encouraged to select and engage this party as they develop their Full Project
  Proposal and for support during contracting. DIGITAL may require that this role be
  held by an independent third-party to ensure objectivity.
- All participating organizations must be compliant with all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the Government of Canada.
- All participating organizations must be Members or Associates at the time of application submission. For more information and to join, visit here.

A <u>Non-Disclosure Agreement Template</u> is available for use by consortia who wish to have a non-disclosure agreement in place during the application and contracting stages.



#### **Project Size**

- DIGITAL is seeking to co-invest in projects with a total cost of at least \$3 million.
- There is no maximum project size. The maximum amount of DIGITAL's coinvestment in a specific project will be determined when the project is selected.
- Projects may take up to 2 years to complete. All projects must be completed by December 31, 2025.
  - Full Project Proposals are to include a robust and realistic project plan that
    describes how the project will be completed within the stated timeframe and
    cost and include well-defined accountabilities, key deliverables, anticipated
    new IP and data assets, costs and funding sources for each of the consortium
    partners.
  - For proposed projects that are longer than 12 months in duration, a phased approach should be considered so that consortium partners can confirm their service and financial commitments.

#### **DIGITAL Co-Investment**

- The funds available from DIGITAL are limited and DIGITAL's co-investment is subject to availability of funds from ISED for the Pan-Canadian Artificial Intelligence Strategy.
- DIGITAL provides co-investment only to Members<sup>2</sup> ("**Eligible Members**") in good standing<sup>3</sup> that are:
  - For-profit organizations;
  - Not-for-profit organizations that facilitate and fund research and development and whose funding is received primarily (>50%) from private-sector organizations; or
  - Non-federal Crown corporations whose funding is derived from commercial activities.
- Community Organizations can become Eligible Members and receive direct coinvestment from DIGITAL when signatories to a Master Project Agreement for a Community Project.
  - Community Organizations are those organizations or establishments aimed at

<sup>&</sup>lt;sup>2</sup> A Member must be a Canadian company or a multi-national corporation that is legally registered to do business in Canada and has a substantial Canadian business operation. DIGITAL will confirm eligibility with applicants as they develop their project proposals and before they sign DIGITAL's Membership Agreement.

<sup>&</sup>lt;sup>3</sup> Good standing means that the organization has adhered to DIGITAL's Charter of Values, complied with their Master Project Agreement obligations on other projects, and has no outstanding payments due to DIGITAL.



making desired improvements to a community's social health, well-being and overall functioning. Examples include not-for profit organizations, hospitals, schools, municipalities, Indigenous groups, and rural and northern communities.

- Community Projects <u>must meet all three</u> of the following conditions:
  - i. Promote the adoption of Al solutions by community institutions (excluding for-profit organizations);
  - ii. Do not aim to generate profit for for-profit organizations; and
  - iii. Include at least one not-for-profit organization.
- Other publicly funded not-for-profit organizations, post-secondary or research institutions, federal Crown Corporations, and government departments or agencies are not eligible to receive PCAIS funds directly, although they may bring their own contributions to projects or be funded by Eligible Members to carry out project activities.
- International organizations (offshore companies and research organizations
  without a registered business presence in Canada) may also participate in PCAIS
  funded projects, but any project activity undertaken by these organizations are not
  eligible for DIGITAL co-investment, unless otherwise pre-approved as a foreign
  cost for an Eligible Member.
- All organizations that expect to receive DIGITAL co-investment must become Members when their project is selected.
- DIGITAL will co-invest **up to 35%** (DIGITAL's co-investment rate) of total eligible project costs that are incurred and paid by Eligible Members.
  - On an exceptional basis, DIGITAL may decide to increase its co-investment rate for PCAIS Community Projects at the time of selection.
  - Project Fees are deducted from DIGITAL's co-investment payments. Project Fees are described in Article 5.3 of the Membership Agreement and will be set out in the Master Project Agreement.
- No single organization may receive more than 80% of DIGITAL's project coinvestment unless otherwise pre-approved by DIGITAL.

# **Intellectual Property (IP)**

DIGITAL is committed to help Canadian organizations strengthen their IP portfolios and have robust IP strategies to support their commercial endeavors. IP generally includes all inventions, whether or not patented or patentable; all commercial and technical information, whether or not constituting trade secrets; and all copyrightable works, industrial designs, integrated circuit topographies and trademarks (including distinguishing guises), whether or not registered or registrable.



As consortia develop their IP plan, it is critical they have a shared understanding of:

- Market opportunity;
- Respective roles and expected benefits for each participating organization in any improvement of the AI technology solution, and in commercialization activities; and
- Data that will be used for ongoing development, training or learning of the Al technology solution.

As part of the Full Project Proposal, each project partner must identify:

- Any new IP expected to be created as part of the project ("Foreground IP") and how it will be protected (refer to the chart below for guidance); and
- Any pre-existing IP ("Background IP"), third-party or open-source IP that a
  participating organization will be using and/or allowing others to use during the
  project.

	PATENTS	CONFIDENTIAL INFORMATION / TRADE SECRETS	COPYRIGHT	INDUSTRIAL DESIGNS	TRADEMARKS
ELEMENT COVERED BY PROTECTION	New, useful, and nonobvious products or processes (inventions)	Commercial information, the value of which lies in its secrecy	Literary, artistic, musical, and dramatic works	Aesthetic design features of useful articles; "eye appeal"	Distinctive signs, marks, or symbols associated with products and services
ACQUISITION PROCESS	Registration	Automatic with maintenance of secrecy	Automatic with creation of work	Registration	Automatic with use of mark or through registration
COST	\$\$\$\$	\$	\$	\$\$	\$\$
DURATION OF PROTECTION	20 years	Potentially indefinite	Life of author plus 50 or 70 years, depending on jurisdiction	Usually 10–15 years but could be longer in some countries	Potentially indefinite
SCOPE OF PROTECTION	<ul> <li>Protection against third parties making, selling, or using invention without permission</li> <li>Protection against independent creation</li> </ul>	Protection against use or disclosure without permission No protection against reverse engineering	Bundle of rights provided by law including protection against copying whole or substantial part of a copyright work without permission	Protection against third parties making, selling, or importing for commercial purposes without permission  Protection against independent creation	Protection primarily against use by a competitor that causes consumer confusion

DIGITAL takes no interest in or rights to any Foreground IP arising from the project or the Background IP of any project participant but has an interest in ensuring adherence to the following IP principles and requirements:



- Background IP (to the extent necessary for the purposes of the project) is to be licensed to other project partners on specified terms for the purposes of the project. This is typically in the form of a license grant on a non-exclusive, royalty free, revocable limited license for the purposes of the project, for the duration that the partner is involved in the project.
- DIGITAL will only co-invest on improvements made to Canadian-owned Background IP.
- Any required IP generated using DIGITAL co-investment in any other project, will be considered as Foreground IP for the purposes of any new or follow-on project.
- The Foreground IP arising through DIGITAL's co-investment must be owned by a project partner that is a registered Canadian entity, with substantial operations in Canada.
- Foreground IP, and any existing Background IP required to make use of the Foreground IP after the end of the project, are to be licensed on fair, reasonable, and non-discriminatory (FRAND) terms, subject to relevant competitive issues.
- Foreground IP developed through DIGITAL's co-investment will be entered into a registry that is accessible on DIGITAL's Community Portal. We are sensitive to issues surrounding IP disclosures and will reasonably accommodate these concerns.
- Consider whether open-source IP will be used for any part of the project and if so, understand what it is and what implications, if any, that it might have for the IP of each of the project partners.
- Identify other DIGITAL Members that may be interested in licensing and building upon the Foreground IP to support ecosystem development.

#### Responsible Use of AI and Data

Organizations are required to take appropriate measures to ensure they adhere to policies, procedures and standards for ethics, biases, cultural sensitivities and human rights to be considered and ensure that any AI technologies are understandable, transparent and ethical.

The regulatory environment surrounding privacy, security and AI is rapidly evolving in Canada (e.g., Bill C-27 to enact the Consumer Privacy Protection Act, the Personal Information and Data Protection Tribunal Act and the Artificial Intelligence and Data Act) and other countries (e.g., the EU Artificial Intelligence Act, the U.S. Voluntary AI Risk Management Framework). As such, consortia must demonstrate and understanding of the current and anticipated regulation and describe how they will ensure compliance in Canada and their target markets.



Consortia must have data governance frameworks and mechanisms to ensure:

- Security: policies, procedures and standards for protecting restricted, confidential or sensitive data from unauthorized access or loss (e.g., encrypting data, backing it up appropriately, taking measures to prevent cyberattacks).
  - All organizations are required to have at least \$5 million of cybersecurity insurance to cover network security and privacy breach liability.
- Data Governance: policies, procedures and standards around data extraction, standardization, storage and access including ensuring that data is collected for specified, explicit and legally authorized purposes.
- Data Sharing: standardized methods to permit sharing of data between project partners for the uses of the project.
- Ethics: consider having an Ethics Review Committee as part of the governance model to ensure the required data sharing agreements are in place and to assess the impact of what may be considered as "high risk" Al systems considering the evolving regulatory landscape.

As part of the Full Project Proposal, consortia must identify and describe:

- How the consortia will ensure the ethical and responsible approach to the use of data and ongoing development and implementation of their AI technology solution throughout and beyond the project.
- Data that will be provided for the purposes of the project, the source(s), owner(s), custodian(s) and the consumer(s) along with terms for using that data.
- Confirmation that the organization providing access to and rights to use data for the purposes of the project has the rights to do so, including having the necessary consents.
- If data sharing agreements and/or research and ethics approvals need to be secured to access and use the data for the purposes of the project, and the expecting timring to secure these approvals.
- Data that will be generated through the project (including data derivatives from data brought into the project), the ownership of the data and the roles that each consortium partner will play with respect to the data – such as data producer, data owner, data custodian and/or a data consumer.
- How any provided or generated data will be used to sustain the technology solution and support commercial endeavors, including the terms of use.
- Any provided or generated data required to commercialize the technology solution are to be licensed on fair, reasonable, and non-discrimintory (FRAND) terms, subject to relevant competitive issues, confidentiality obligations and any restrictions on publications.



# **Application Process**

DIGITAL is targeting new investments that align with the Areas of Interest and eligibility criteria described above. All applicants will follow the same two-step application process, including those for proposed projects that continue to build off the success of previous projects that attracted DIGITAL co-investment.

All consortium partners are expected to work together during the application process and provide organizational signoff by an authorized signatory when submitting the applications. Each organization participating in the proposed project agrees that, by applying they will:

- Adhere to DIGITAL's Charter of Values, including the Diversity & Inclusion principles outlined in the Membership and/or Participation Agreement.
- Consent for DIGITAL to disclose the participating organizations, total investment and total co-investment sought from DIGITAL along with the full or partial Executive Summary from the submitted applications.
- Not publicly disclose any information about a proposed project until we jointly
  agree to announce it (public releases and notices). For clarity, DIGITAL's decision
  can be shared in confidence with the consortium partners and their respective
  internal teams, Boards and investors, as appropriate.

Organizations that fail to comply with these requirements could have their Membership rights terminated, project funding withdrawn and/or other proposed projects removed from consideration.

DIGITAL's team is available to guide consortia throughout the application process. Upon request, we will help you understand if your proposed project is eligible; identify potential partners you may want to work with; provide feedback on your applications; help you complete the budget and IP rationales; and review the Master Project Agreement template.

**Funds are limited and it is a competitive process**. All applications will be reviewed and evaluated on a continuous-intake basis. Teams are encouraged to prepare their best applications and submit when they are ready, recognizing the effort required and balancing time and quality considerations. DIGITAL retains the right to close application intake at any time once funds are anticipated to be fully committed.



#### 1<sup>st</sup> Application: Expression of Interest (EOI)

The lead organization of qualified consortia will be invited to submit an EOI and be provided with the EOI template(s) and submission instructions.

The EOI is intended to assess and confirm project eligibility, fit and readiness: the potential for success. The EOIs that arrive earliest will be reviewed first. Incomplete EOI submissions will not be reviewed, but the lead organization will be notified.

- DIGITAL will review all complete EOI submissions for eligibility, fit and readiness.
- The consortium may be asked to provide additional information to inform the FOI review
- Lead organizations will receive a notice of decision letter from DIGITAL via email. Successful applicants will be invited to develop a Full Project Proposal.

### 2<sup>nd</sup> Application: Full Project Proposal (FPP) Package

DIGITAL will provide the templates and submission instructions for the FPP package to the lead organization of successful EOI applicants. The project consortium is expected to collaboratively develop and submit their FPP package for consideration.

The FPP submissions that arrive earliest will be reviewed and evaluated first, until the available funds are fully committed. DIGITAL will endeavor to keep applicants informed as projects are selected.

- DIGITAL will review the FPP submission for completeness and confirm fit and eligibility. Incomplete or ineligible FPP submissions will not be evaluated, and the lead organization will be notified.
- Complete and eligible FPP submissions will be provided to an independent
  Project Selection Committee (PSC) and evaluated against the Evaluation
  Criteria. The project consortium will be invited to make a presentation to the
  PSC and may be asked to provide additional information to inform the PSC's
  recommendation.
  - All consortia invited to develop a FPP will be notified who the PSC members are.
  - Any consortium partner must identify and notify DIGITAL of a potential conflict of interest with any member of the PSC in advance of their FPP submission.
  - At no time should consortium partners or related stakeholders engage PSC members with regards to project ideas or applications that are in development, are under evaluation or have been decided upon.



- Organizations who fail to comply with this requirement could have their Membership rights terminated, project funding withdrawn and/or other proposals removed from consideration.
- PSC members will not reach out directly to applicants for information or input regarding proposed projects; these requests will be managed by the DIGITAL team.
- Final investment decisions are made by DIGITAL based on parameters set out by its Board of Directors.
- The lead organization will receive a notice of decision letter from DIGITAL that will include feedback from the PSC. The PSC may suggest a revised proposal be submitted and re-evaluated for consideration.
- Successful FPP consortia will proceed to sign a Master Project Agreement (MPA) within 60 days of DIGITAL's selection decision. Each consortium partner is expected to confirm they have reviewed the MPA template and identify any specific areas of concern in their FPP submission. DIGITAL may withdraw its investment commitment if the MPA is not signed by the established deadline.



#### **Evaluation Criteria**

Four main evaluation criteria will be considered by the PSC, the relative weighting of each is outlined below.



Team and Management Plan 25%



Commercial Impact 35%



Technology Innovation 25%



Ecosystem Impact 15%

# **Team & Management Plan** (25%)

- Composition of the consortium is balanced.
- The consortium has the necessary expertise and capabilities.
- Added value through collaboration that strengthens connections between private, public, not-for-profit and academic organizations.
- All consortium partners stand to benefit commercially, operationally, scientifically or academically from the project.
- Robust project governance structure with experienced independent project management.
- A realistic execution plan with a reasonable schedule and cost structure.
- Financial and service commitments are clear for each participating organization, and each organization can finance and deliver on their commitments.

# **Commercial Impact** (35%)

- Commercial viability validated with sector stakeholders, both users and buyers in the target markets.
- Accelerates the scale-up of Canadian businesses by integrating into value chains, attracting investment, driving international opportunities, expanding market share and/or growing revenues.
- Understanding of target markets and competitive landscape.
- Clear path to commercialization with robust "go-to-market" plans, a realistic revenue forecast and ROI for Canadian business.
- Usability, adoption and procurement requirements are well considered.
- Defined commercial model with preliminary commercial terms.
- Commercial entities have proven commercial success.



# **Technology Innovation** (25%)

- Clear articulation of the AI technology products, platforms and/or services that will be improved, developed and/or commercialized during the project.
- Degree of novelty and innovation in the use of the AI technology in the sector.
- Technical achievability, scalability and risk.
- A clear and compliant IP plan.
- Understanding of data sharing requirements with access to required data sources.
- Demonstrated understanding and commitment to the safe and responsible use of data and technology.

# **Ecosystem Impact** (15%)

- The potential to grow and scale worldleading Canadian enterprises, including SMEs.
- Benefits to Canada beyond the participating organizations (e.g., fighting climate change, addressing supply chain disruptions).
- New job creation.
- Skills and talent development.
- Advances equity and diversity.
- Strengthens connections between researchers in industry, academia, and research institutes in Canada and abroad.
- Provides access opportunities for others to use, develop or be a supplier to the proposed Foreground IP.



# **Tips for Success**

- ✓ Assemble and engage a strong collaborative consortium who share in the vision of the project, will co-invest in the project and share in the project benefits.
- ✓ Write a clear and concise application in "one-voice", answer all of the questions in the templates and follow the instructions provided.
- ✓ Ensure the Eligibility and Evaluation Criteria are met.
- ✓ Define the problem that will be addressed and describe how the commercial viability of the proposed technology solution has been validated by sector stakeholders.
- ✓ Specify the AI technology products, services and processes that will be commercialized.
- ✓ Craft coherent IP and data management plans.
- ✓ Ensure strong and experienced project management is demonstrated through a robust application, project plan, budget (uses and sources of funds) and governance model.
- ✓ Present a strong commercial strategy that demonstrates return on investment and economic benefits to Canada.
- ✓ Discuss and agree on the principles for any commercial arrangements between the project partners.
- ✓ Contribute to technology ecosystem through meaningful contributions to a diverse and inclusive digitally skilled workforce, SME benefits beyond the consortium, advancement of research and social good.