



Project Submission Guide

Step 1: Initial Project Definition & Eligibility

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1. Supporting Information

The section below provides additional information to help participants complete the project template for the initial project definition and eligibility assessment.

Definitions

SME: Small or Medium Enterprise, i.e. less than 500 employees.

Nb: Number

HQ: Headquarters (legal registration)

1.1 Identification

This information is used to manage the project submission process

1.2 Participants

Role or contribution to the project

Project participants should contribute in one of the following capacities.

1. **Adopter:** In the context of the project, the adopter is acquiring services or a solution to improve its business
2. **Service Provider:** In the context of the project, the service provider is either:
 - a. Providing services or products to the adopter
 - b. Seeking to develop new services or products
 - c. Seeking to improve existing services or products
3. **Supplier:** In a general business context, the supplier provides services or products to the adopter or to the service provider
4. **Customer:** In a general business context, the customer acquires services or products from the adopter or the service provider
5. **Investor:** In the context of the project, the investor provides financial support to the adopter or to the service provider
6. **Other:** If none of the roles above represent the participant's involvement, provide a short overview of their contribution to the project

1.3 Purpose

Proposed solution

The solutions considered by proposed projects must align with SCALE AI's Technology Priorities:

1. Encourage the adoption and scaling of existing supply chain solutions
2. Develop foundational intelligent supply chains building blocks across five AI-based technology platforms: operations, data, AI research, device management and infrastructure
3. Promote responsible usage and development of AI-related technologies.

Refer to SCALE AI's Strategic Plan for further information.

1.4 Expected Impacts

Impacts are relevant as part of the *Initial project definition* but are not criteria for *Eligibility*. These will be considered during *Project Selection* to evaluate the extent to which the project meets SCALE AI's objectives.

Impacts for the participants:

- Adoption of AI-powered supply chain
- Return on investment
- Employee development
- Linkages to post-secondary research

Impacts for SMEs:

- Revenues generated for SMEs
- SME growth through an improved access to a supply chain
- Valuable data or foreground IP shared with SMEs
- Network effect for SMEs
- Job creation and skills development in SMEs

Impacts for the ecosystem:

- Global revenues generated by the project
- Global and SME growth through access to a supply chain
- Network effect beyond participants
- Valuable data or foreground IP shared with the ecosystem
- Job creation and skills development
- Development of innovative technologies
- Development of industry-informed academic research, learning and training

Impacts for Canada and beyond:

- Global advantage for Canadian businesses
- Other positive impacts outside the ecosystem
- New markets created/entered
- Possible additional venture capital investments

1.5 Timeline

Project management milestones

The following milestones are expected for all projects. Indicate a realistic planned date at the time of project submission

- **Eligibility confirmation:** SCALE AI team confirms that the project is eligible
- **Detailed proposal submission:** Participants submit a detailed project proposal
- **Approvals by all participant executives:** Participant stakeholders have obtained all required approvals to launch the project (e.g. any financial, compliance, technology and executive committees)
- **Supercluster board approval:** SCALE AI board has approved the project
- **Project start:** Project execution activities begin (excludes project initiation, planning, etc.)
- **Project end:** All project execution activities end (excludes project closure)

1.6 Financial Summary

Eligible project costs

Details of ISED's cost nomenclature. See full details in Contribution Agreement schedule 3

<p>Eligible costs</p> <p>Can be supported by the contribution and other sources, including industry contribution (which then counts against industry match)</p>	<ul style="list-style-type: none"> ● Portion of gross wages, salaries or contracts (e.g. subcontractors, software licenses, etc.) incurred which can be specifically identified and measured as having been performed in carrying out Project Activities ● Costs related to equipment, facilities and supplies, including purchase, rental, O&M costs ● User fees, materials and supplies, room or facility rentals in respect of the Project ● Travel costs, incl. meal and accommodation costs that are in accordance with the NJCT directive ● Dissemination costs (e.g., publication costs), other direct costs which can be specifically identified and measured as incurred in the performance of the Project (e.g. market studies) ● Capital expenditures that are linked to the objectives of this Agreement, vital for the success of research, development, demonstration or commercialization projects, and not otherwise available as a shared resource ● Capital expenditures over \$1 million must be pre-approved by the Minister before purchase
<p>Ineligible costs</p> <p>Cannot be supported by the contribution, do not count against industry contribution</p>	<ul style="list-style-type: none"> ● Retroactive costs ● Capital, infrastructure or equipment costs unrelated to the objectives stated above ● Expenses relating to the construction, purchase of a building or land (exceptions) ● Fines and penalties, taxes... ● Provisions for contingencies; losses on investments, other projects, contracts, bad debts ● Discretionary severance and separation packages ● Overhead incurred by participants ● Legal, accounting and consulting fees in connection with litigation or financial reorg.

In-kind costs must not exceed 25% of the eligible project costs

- In-kind includes licenses, premises, equipment, use of assets...
- Salaries are considered cash contribution and not as in-kind costs
- Directly contributing to the project

Foreign costs are generally ineligible. On an exceptional basis, the Minister may authorize expenditures incurred outside of Canada if, in the opinion of the Minister, they are necessary for the success of the project and could not otherwise be undertaken in Canada.

Eligible organizations

Entities whose contributions qualify as eligible funds include:

- For-profit organizations;
- Not-for-profit organizations that facilitate and fund research and development and whose funding is received primarily from private-sector organizations;
- Non-federal Crown corporations whose funding is derived from commercial activities; and
- Any other entity approved in advance by the Minister

Eligible organizations can claim federal contribution over their industry investment

Ineligible organizations

Entities whose contributions do not qualify as eligible costs include:

- The not-for-profit organizations not within the previously described scope;
- Federal Crown Corporations;
- Post-secondary institutions;
- Federal, provincial territorial or municipal government sources.

Ineligible organizations engaged in projects should have their cost borne by eligible organizations to be considered as part of the eligible costs' equation, e.g. sub-contracting.

2. Eligibility Assessment

In-Scope

Projects submitted must fall within one of the five program streams below and align with SCALE AI's strategy. For more information, refer to the SCALE AI supercluster strategy document.

1. **Adoption of AI-powered supply chain**, to drive productivity and competitiveness of Canadian firms by fostering deeper and better use of AI technologies in supply chain operations;
2. **Commercialization of AI-powered supply chain solutions**, to enhance the offering and go-to-market of solution providers by developing, industrializing and expanding AI-powered products and services applied to supply chain management;
3. **SME AI scale-up support**, to drive small and medium enterprises (SME) scale-up and grow the world's best AI services and product providers by supporting a range of initiatives including incubation, mentorship, business connection-building;
4. **Current and future workforce development in AI**, to boost the skills and diversity of our talent pool by augmenting the pipeline of future talents, reinforcing the links between academia and the industry, and upskilling the industrial workforce;
5. **Collaboration development**, to facilitate collaborations, maximize synergies in the ecosystem.

Incremental to regular business

The proposed project must be incremental to the regular business of the Applicants, with confirmation by a senior level executive of each Applicant stating that:

1. Financial commitments to the proposed project are distinct from investments that would otherwise have occurred;
2. The proposed project is a net new project, a project that is expanded in scope or scale, or otherwise transformed in ways that materially improve the project's ability to advance the objectives of the supercluster.

Multiple participants

The proposed project must include, at a minimum, more than one participant, with at least one service provider, SME or one post-secondary or research institution or another Member to be considered eligible.

SME involvement

The proposed project must involve at least one SME.

Readiness

Participants must demonstrate CEO/executive endorsement of the project under consideration and that they possess the necessary and complementary assets and capabilities to meet the project objectives and results.