


All Capacity Building Application Guide

BUILDING
WORLD-LEADING
ADVANCED
MANUFACTURING
CAPABILITIES
IN CANADA

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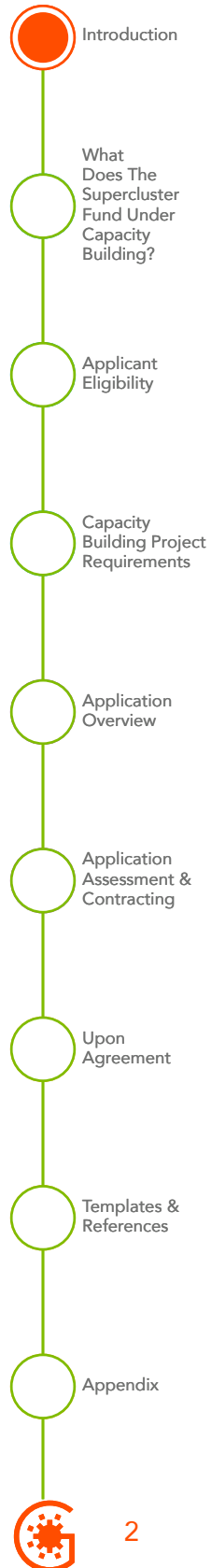









INTRODUCTION

Canada's Advanced Manufacturing Supercluster is led by Next Generation Manufacturing Canada (NGen), an industry-focused, not-for-profit corporation dedicated to positioning Canada as a world leader in advanced manufacturing capabilities. The Supercluster will drive connections between technology and industrial companies to accelerate the development, adoption, and scale-up of transformative capabilities in Canadian manufacturing. The Supercluster aims to strengthen the competitiveness of Canada's manufacturing sector, drive more innovation and investment in advanced manufacturing technologies in Canada, generate new commercial opportunities for Canadian companies in global markets, grow more large-scale world-leading Canadian enterprises, and develop a modern and inclusive workforce with the skills to excel in advanced manufacturing. The NGen Capacity Building activities are intended to assist Canadian SME's in de-risking their implementation of advanced manufacturing technologies and to support their access to NGen project funding. Recipients of Supercluster Capacity Building funding must be for-profit organizations that are classified as SME's.

In alignment with the strategic objectives established for Supercluster projects, NGen's Capacity Building Fund is intended to help SMEs:

- Transform their technological and/or manufacturing capabilities;
- Apply advanced technologies in manufacturing processes;
- Access ecosystem resources; and,
- Take advantage of new opportunities to commercialize IP, improve competitiveness, and grow customer sales.
- Build strategic partnerships and collaborations for accelerated growth.



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What Does The Supercluster Fund Under Capacity Building?

NGen will invest up to \$12 million of Supercluster funding to be matched by a minimum of an additional \$12 million of industry investments in Capacity Building projects targeted at Canadian small and medium enterprises (SMEs) before the end of March 2023. NGen's capacity building initiatives are designed to address some of the common challenges that small and medium-sized enterprises (SMEs) face in adopting and scaling up technologies in manufacturing, and in participating as partners in larger Supercluster projects. NGen's Capacity Building Fund will provide funding to SMEs for different types of projects intended to move the involved organizations along the path to transformation. There are three specific types of projects funded by NGen under Capacity Building:

- Feasibility Studies
- Cluster Development
- Collaborative Pilot Projects

Each of these projects is supportive of one or more elements of transformation to be undertaken by a Canadian SME.



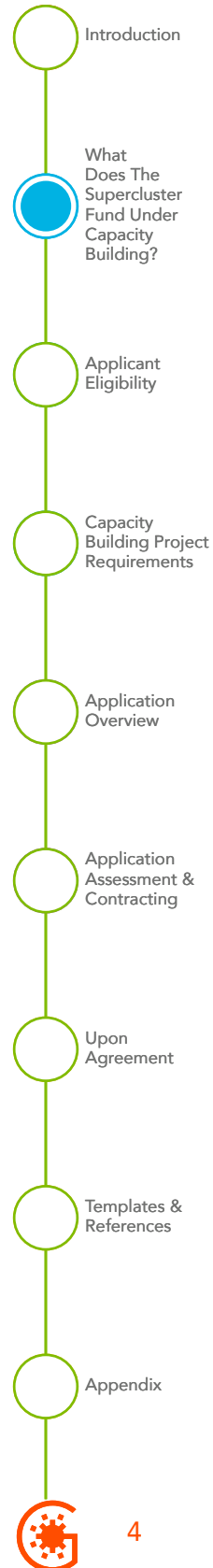
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[What Does The Supercluster Fund Under Capacity Building?]

CLUSTER BUILDING

- Funding for Cluster Building activities is intended to facilitate broader collaboration and cooperation among SMEs and supporting organizations in order to accelerate the implementation, scale-up, and commercialization of advanced technologies for manufacturing in Canada.
- Cluster Building funding can be used to help bring together SMEs in collaborative innovation and ecosystem development projects funded by NGen.
- Not-for-profit organizations that are funded primarily by industry funds and employ fewer than 500 people are considered SMEs for the purposes of Cluster Building.
- Clusters must demonstrate strategic collaborative potential – leading to transformative change for participating SMEs and advanced manufacturing in Canada, extensive SME engagement, short-term commercial benefits, and the development of tools, testbeds, training, IP, and supporting services for project participants and other SMEs in the ecosystem. Eligible costs incurred in Cluster Building activities must involve support for enhancing collaboration among Canadian SMEs in advanced manufacturing. This may include, but is not limited to:
 - > Staffing costs
 - > Office costs
 - > Legal costs
 - > Cost of industry reports and studies
 - > Travel Costs
 - > The costs associated with preparing the collaborative aspects of a proposal to be used in pursuit of an NGen Feasibility Study, Pilot Project, Project or other organized project funded by NGen or other agency that is in-line with NGen objectives.
- Key deliverables of a Cluster Building project include:
 - > The formation of a collaborative consortium of SMEs with a plan to undertake a transformative initiative in advanced manufacturing.
 - > The formation or reactivation of a collaborative business cluster of Canadian manufacturers with a stable membership base and a sustainability plan that defines how the collaboration initiated under NGen funding will be continued after the end of the NGen funded activity.
- Capital expenditures are not eligible for NGen reimbursement in a Cluster Building project.
- Clusters must be developed in Canada and cluster participants receiving NGen Capacity Building support must be SMEs. This does not preclude larger organizations from joining these clusters.
- Cluster Building applications may be made by:
 - > Existing clusters that are taking on a new or expanded work-scope involving advanced manufacturing that would not otherwise be undertaken.
 - > A newly activated or reactivated business cluster with at least five members who are SMEs and a total membership that is comprised of a minimum of 70% SMEs. Only SMEs are eligible to receive NGen funding under Capacity Building.



[What Does The Supercluster Fund Under Capacity Building?]

- The maximum Value of a Cluster Building project is \$150,000. NGen will reimburse up to 50% of the maximum value.
- The total amount allowable for subcontracting under an NGen Cluster Building Project is capped at 70% of the project size. Only expenses incurred for Canadian subcontractors are reimbursable by NGen. The project must be completed within twelve months of initiation.
- A Collaboration Agreement must be in place among the members of the Cluster Building project consortium defining the roles of project partners, allocation of project costs, and joint risk management provisions.
- If the collaboration being formed under the project will involve the sharing, disclosure and/or creation of IP belonging to any of the members, the Collaboration Agreement must set out how any foreground IP arising in the Cluster Building project will be shared among project partners. In addition, project participants must indicate the types of foreground IP they would be prepared to share with other members of the Supercluster, and under what conditions, including any specific exclusions.
- Applications for Cluster Building will be based on the applicants' answers to the ten questions provided in the Application Overview. The response is limited to 400 words per question and should focus on how the collaborative activities and cost-sharing engendered by the new partnership will accelerate business growth and reduce risks for each of the members of the consortium or cluster.
- Participating companies will be required to pay a one-time, non-refundable project administration fee to NGen equal to 2.5% of the total cost of the project at the time of project launch. This fee can be paid by one partner or divided between partners.

FEASIBILITY STUDIES

- SMEs are encouraged to use Feasibility Study funding to de-risk their advanced manufacturing, business planning, and technology implementation strategies. Although commitment to follow-on work is not a pre-requisite of funding, companies are encouraged to use Feasibility Studies to address key knowledge gaps and risks to enable them to secure additional NGen funding for larger scale technology implementation projects.
- Types of studies that may be undertaken in a Feasibility Study include, but are not limited to:
 - > Developing a refined understanding of the manufacturing innovation under consideration and an analysis of the expected impact of implementation;
 - > Initial design or technical work to define and characterize the manufacturing principles involved;



[What Does The Supercluster Fund Under Capacity Building?]

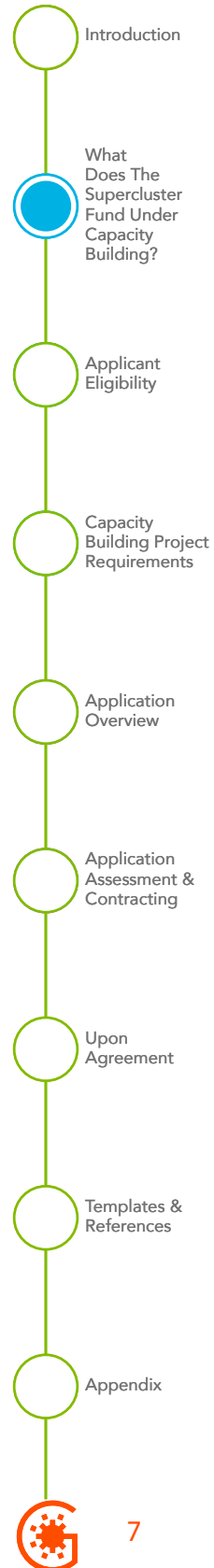
- > A risk assessment and a strategy to minimize the risk of development of the innovation;
 - > A proposal for the development of the exploitable ideas from the innovation, with a detailed development plan to produce a prototype or demonstrator;
 - > An economic analysis assessing the potential impact of the innovation as would be required to obtain financing or other support;
 - > A market study defining the potential impact of the innovation on the revenues, market share and profitability of the partner organizations with a projection of potential impact on GDP and employment in Canadian manufacturing.
 - > An improved business process enabled by an advanced manufacturing technology or process.
 - > A verification of the potential benefits of a new technology or process innovation sufficient to drive a decision to continue development thereof.
- All Feasibility Study applications must include at least one Canadian SME and a partner organization.
 - > Partnering organizations can be subcontractors to the SME. This may include academic and not-for-profit organizations as well as large companies.
 - > To be considered a partner rather than a subcontractor, collaborating companies must be providing some level of cash or in-kind investment into the project, however in-kind contributions are not eligible for reimbursement.
 - > Only privately owned SMEs are eligible to directly receive NGen reimbursement.
 - The total estimated cost of the project should be between \$50,000 and \$200,000. NGen will reimburse up to 50% of the eligible total costs.
 - Capital expenditures are eligible for reimbursement for Feasibility Studies, subject to the conditions defined in the section entitled "What Kind of Costs Qualify as Eligible Costs" and the subsequent sections of this document.
 - The total amount of sub-contracting eligible for funding under an NGen Feasibility Study is capped at 70% of total project costs. Only expenses incurred to Canadian subcontractors are reimbursable by NGen.
 - The Feasibility Study must be carried out in Canada and be completed within nine months of initiation.
 - Applications for Feasibility Studies will be based on the applicants' answers to the ten questions provided in the Application Overview. The response is limited to 400 words per question and should focus on how the envisioned innovation could drive transformation of operations and increase competitive advantage.
 - Participating companies will be required to pay a one-time, non-refundable project administration fee to NGen equal to 2.5% of the total cost of the project at the time of project launch. This fee can be paid by one partner or divided between partners.



[What Does The Supercluster Fund Under Capacity Building?]

PILOT PROJECTS

- Funding for Pilot Projects is intended to support activities undertaken by SMEs to prove out and de-risk technology implementation projects in advanced manufacturing, including but not limited to:
 - > IP Commercialization strategy development;
 - > Business case development;
 - > Technical program development;
 - > Risk mitigation planning;
 - > Technology development;
 - > Manufacturing process development;
 - > Manufacturing process scale up from bench-scale toward full-scale; and,
 - > Partner identification and qualification.
 - > Others – please contact us if you have other challenges for which NGen Pilot Project funding would be beneficial at capacity@ngen.ca.
- Pilot projects must demonstrate strategic potential – leading to the development of transformative capabilities for participating SMEs, extensive SME engagement, short-term commercial benefits, and the development of tools, testbeds, training, IP, and supporting services for project participants and other SMEs in the ecosystem.
- It is encouraged that companies use Pilot Project funding to de-risk their advanced manufacturing strategies, business planning and technology development activities in support of securing subsequent NGen project funding. Commitment to follow-on work is not a requirement for funding of a Pilot Project.
- Pre-commercial companies are not eligible for NGen Pilot Project funding unless they can verify that they have adequate financial means to support the full scope of the proposed project. This may take the form of a financial guarantee from a partnering organization.
- Applicants must demonstrate readiness and an ability to implement the resulting project plan.
- All Pilot Project applications must include at least two partnering SMEs. Partner companies should all make meaningful contributions to the project, demonstrating collaborative engagement, shared risks, and potential for shared rewards.
- Participation of academic institutions in research activities that align with the NGen Pilot Project activities can be supported through a subcontract to the academic institution. Additionally, these contributions can be leveraged through separate government funding programs such as Mitacs Inc., Ontario Centres of Excellence and/or NSERC. Academic institutions are not eligible to receive NGen funding directly.
- All Pilot Project applications must include at least two eligible partnering SMEs.
- Capital expenditures are eligible for reimbursement for Pilot Projects, subject to the conditions described in the Capital Costs section of this document.



[What Does The Supercluster Fund Under Capacity Building?]

- The total estimated value of the project should be between \$100,000 and \$500,000. NGen will reimburse up to 50% of eligible project costs.
- The project must be completed within nine months of initiation.
- All eligible project costs must be incurred in Canada.
- Applications for Pilot Projects will be based on the applicants' answers to the ten NGen Assessment questions provided in the Application Overview. Responses are limited to 400 words per question.
- Participating companies will be required to pay a one-time, non-refundable project administration fee to NGen equal to 2.5% of the total cost of the project at the time of project launch. This fee can be paid by one partner or divided between partners.

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Applicant Eligibility

- Any Small or Medium sized company (SME; defined as a company with fewer than 500 full-time employees) who is a member of the Advanced Manufacturing Supercluster may submit an application for project funding under the Capacity Building stream.
- Recipients of Supercluster funding must be incorporated in Canada.
- International organizations (offshore companies and research organizations without an incorporated presence in Canada) may participate as partners in NGen Pilot Projects, but any project activity undertaken by these organizations will not be eligible for Supercluster funding.
- Publicly funded not-for-profit organizations, post-secondary institutions, federal Crown corporations, and government departments or agencies are not eligible to receive Supercluster funding directly, although they may bring their own contributions to projects or be sub-contracted by funded recipients to carry out project activities.
- Canadian divisions of MNEs with a global employment of greater than 500 employees are not eligible to participate in NGen Capacity Building projects.

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Capacity Building Project Requirements

PROJECT ACTIVITIES THAT ARE OUT OF SCOPE AND WILL NOT BE FUNDED

- Those related to theoretical work without any direct commercial application or use
- Projects that develop products that are not used for Advanced Manufacturing
- Production activities themselves or activities that subsidize full scale production
- Capital investment for production or for purposes not related to the research being conducted
- Pilot Project, or Cluster Building activities where the benefits accrue to a single firm or organization
- Projects that would be undertaken at the same scale or scope and within the same timeframe without Supercluster funding
- Any routine or periodic changes made to existing products, production lines, manufacturing processes, services and other operations in progress, even if those changes may represent improvements

GETTING STARTED

If you have an idea you believe is suitable for NGen Pilot Project funding, please get in touch through capacity@ngen.ca or register as a member and complete the NGen application Screening below.

- 1) Register as a member of NGen www.ngen.ca/join
- 2) Click on “Supercluster Projects”.
- 3) Select the Project Application according to the size of your project.
- 4) Please read the appropriate project guide.
- 5) Note: You will be redirected to a Hockeystick site. Hockeystick is the host of the NGen application portal.
- 6) Login with the same NGen member login information.
- 7) Fill in all the Project Screening information within the Project Application portal and submit.



[Capacity Building Project Requirements]

PROJECT SCREENING

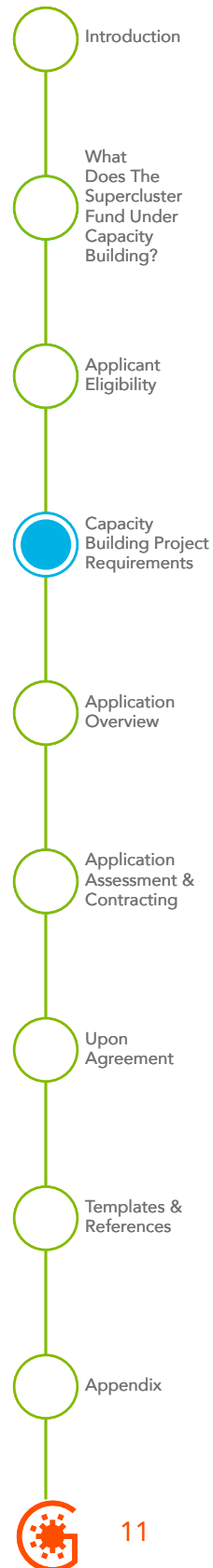
NGen will screen all proposals to ensure they meet basic eligibility requirements for Supercluster projects. Applicants will be asked to:

- Certify that they have read, understand, and are willing to comply with NGen’s project requirements.
- Describe the purpose of their project.
- Indicate that their project is collaborative and identify lead private sector partners.
- Certify that private sector partners looking for funding are incorporated in Canada and that the project will be carried out in Canada.
- Certify that their project would not be undertaken in the same form without Supercluster funding
- Provide an estimate of project costs and indicate that they are willing to invest in the project within the timelines of NGen’s Supercluster funding horizon.
- Certify that they have adequate financial means and project management capabilities to carry out the project and agree to NGen performing the requisite financial due diligence, which includes permission for NGen to request a Business Credit Report from Equifax or conducting other financial reviews as required to ensure that the project consortium has the financial means necessary to complete the envisioned project as proposed.

GENERAL RULES

To receive Supercluster funding, project applicants must meet NGen’s evaluation criteria and be approved by NGen’s independent project selection process. Approved projects will be reimbursed for that portion of their project expenses that are reasonable and eligible under the federal government’s conditions for Supercluster funding.

- All recipients of Supercluster funding will be required to enter into a contractual agreement with NGen defining the terms and conditions by which funding will be provided and will be required to comply with the terms of the funding agreement.
- All recipients of NGen Capacity Building funding must be Canadian-based SME’s. SME’s are organizations with fewer than 500 employees.
- Projects may receive complementary funding from other government agencies. Supercluster funds cannot be used to reimburse costs already covered by funding from other government sources.

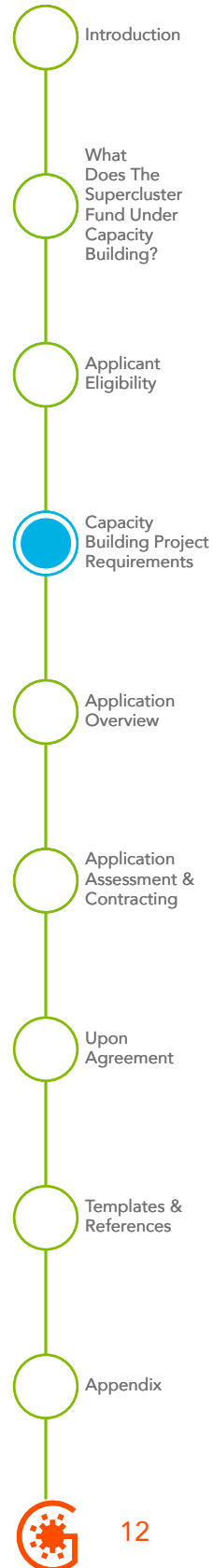


[Capacity Building Project Requirements]

- The total amount of government funding cannot exceed 100% of eligible project costs.
- Claims will be made on a reimbursement basis following submission of a claim form, copies of invoices exceeding \$500 and other documentation as required to support the amounts claimed.
- Once the claim and the supporting documentation have been received by NGen, reimbursement will normally be issued within 45 days, unless it is necessary for NGen to seek further information to support the claim.
- Claims are to be submitted to NGen every three months.
- Capacity Building Projects will be reimbursed to a maximum of 50% of total eligible project costs.
- Projects in which one participating partner receives in excess of 70% of NGen funding requires pre-approval by NGen Canada. (There may be other reimbursement from provincial or other sources.).
- NGen is under no obligation to pay more than 85% of the funding to the project participants until it has received and approved all outstanding claims with supporting information, and the project reporting and monitoring obligations as set out in the Master Project Agreement have been met. Supercluster funding is subject to availability of funds being approved annually by Parliament.

NGen will undertake a financial assessment of each participating member to ensure they can support their commitment to the project for the entire duration of the project. Factors which will be evaluated include but not limited to: Profitability, Liquidity, Leverage/Indebtedness and Cashflow. In the event the supporting financial information provided by the applicants is insufficient to demonstrate the ability to complete the planned project as proposed, NGen Canada will undertake one of the following actions:

- > Request additional information from the participating member,
- > Reject the proposed program on the grounds that the project team does not appear to have the ability to fund the proposed project to completion,
- > Approve the project for a reduced amount of NGen funding until such time the participating members can provide further assurances on liquidity



[Capacity Building Project Requirements]

WHAT KINDS OF COSTS QUALIFY AS ELIGIBLE COSTS?

Eligible costs must be reasonable, incremental and relate directly to the eligible activities of the project. If in doubt about the eligibility of a cost, please contact NGen for clarification. This approach is intended to protect project participants from spending on activities that may later be deemed ineligible.

All amounts submitted for reimbursement must be net of applicable HST/GST/PST/QST.

Only costs that are incurred and paid in cash are eligible for reimbursement. In-kind contributions are goods and services that are provided/donated to the project at no cost and are not eligible for reimbursement.

SALARIES & WAGES

Eligible costs are those incurred as the portion of gross wages or salaries for personnel working directly on the project.

This includes CPP, EI and EHT but must exclude any discretionary benefits (i.e. health & dental, retirement) or bonuses.

All salaries & wages are considered paid in cash and are not in-kind costs. Time sheets or evidence of time tracking will be required to support direct labour costs charged to the project. Payroll registers may be requested to substantiate costs.

(The costs of routine administration and operations, including the costs of administering project activities, are ineligible.)

Examples of the distinction:

- Employees dedicated to the project, including project managers and project controllers - Eligible
- Senior leadership from participating organizations who provide oversight - Ineligible

SUB-CONTRACTS AND CONSULTANCY FEES

Costs are covered for any subcontracted work essential to the success of the project and where the expertise does not exist among the partners.

These costs must be accounted at Fair Market Value and must be reasonable and in line with industry norms and practices.

A project partner cannot also be a sub-contractor or consultant.

The total amount of sub-contracts or consultancy cannot exceed 70% of the total value of the project costs.



[Capacity Building Project Requirements]

EQUIPMENT, FACILITIES & SUPPLIES

Supercluster funding covers the purchase of new equipment, rentals and direct operation and maintenance costs where eligible.

Up to 100% of the acquisition cost of new equipment may be claimed where eligible.

The use of existing equipment is considered an in-kind cost and is therefore not reimbursable. Only direct costs incurred in the operating the equipment may be eligible for reimbursement.

USER FEES

Service fees and subscription/license fees directly related to the project are eligible expenses.

Project administration fees charged to the projects by NGen are ineligible.

MATERIALS & SUPPLIES

Materials consumed by the project.

Materials supplied by subsidiaries or associated companies should exclude the profit element of the value placed on that material (i.e. these are to be valued at cost).

If waste or scrap material has a significant residual/resale value, the figures should reflect this.

ROOM OR FACILITY RENTALS

The cost of space in respect of the project. Overheads or costs incurred by the project in respect of the routine administration and operation of the organization, such as rent, utilities, etc. are ineligible.

CONFERENCE COSTS

Costs related to renting facilities to support conferences and related telecommunication expenses are eligible but must have a specific and direct link to project activities. For example: A targeted Hack-a-thon to address a project challenge is an eligible expense.

Travel to an advanced manufacturing conference or industry association conference would be considered an ineligible expense.



[Capacity Building Project Requirements]

TRAVEL COSTS

All travel expenses must be in accordance with the [National Joint Council Travel Directive](#) to be eligible for reimbursement.

Only reasonable costs incurred exclusively for advancing the project will be accepted as an eligible expense.

Alcohol is an ineligible expense.

PATENT COSTS

Reasonable costs relating to the patent protection of foreground intellectual property arising out of a project:

For example:

- patent drafting, filing, prosecution costs
- patent office fees
- prior art searching

Patent costs will be eligible for reimbursement under the Supercluster program, provided:

- only SME's will be able to claim patent costs
- patent cost reimbursement cannot exceed 10% of the total project value

DISSEMINATION COSTS

Publication costs of project results are eligible but must not include any dissemination costs relating to commercialization or production, such as marketing or advertising costs.

OTHER ELIGIBLE DIRECT COSTS

Other direct costs which can be specifically identified and measured as being incurred on behalf of project activities are eligible.

CAPITAL COSTS

Not all Capacity Building streams reimburse capital investment. The permissibility of capital expenditures is provided in the write-ups for the specific capacity building streams.

Capital & equipment spending, where eligible, cannot exceed 30% of total eligible project costs. Prior approval from NGen is required should there be a requirement for the project to incur capital/equipment spend in excess of 30%.



[Capacity Building Project Requirements]

To be eligible for reimbursement under the Supercluster program, capital expenditures must be:

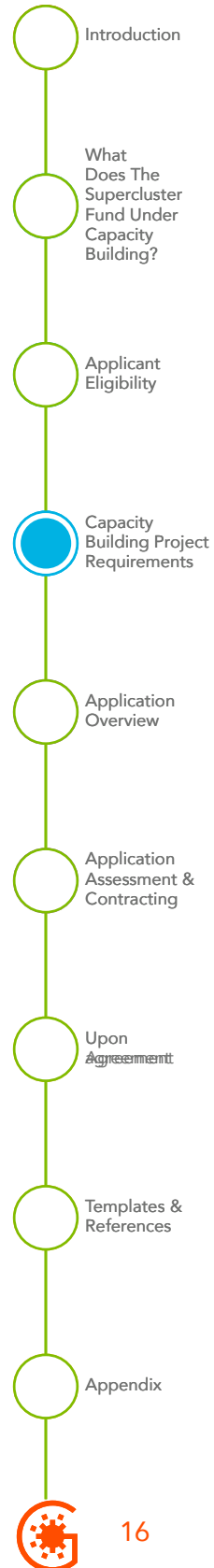
- Linked to the objectives of the project
- Allowable under the rules defined for the particular project type
- Vital for the success of research & development or demonstration of projects
- Not otherwise available as a shared resource
- Limited to the portion used over the project term
- Capital expenditures cannot exceed thirty percent (30%) of the total value of the project.
- Any change to project funding distribution or scope that would result in more than thirty percent of project expenditures being invested in capital assets requires prior written approval. This could result from reallocation of activities or de-scoping of noncapital activities.

Capital costs are subject to the above guidance for equipment.

WHAT KIND OF PROJECT COSTS ARE INELIGIBLE FOR REIMBURSEMENT?

The following costs are counted towards the value of the project but are ineligible for reimbursement from Supercluster funding ("Unfunded Eligible"):

- Payments to federal entities, such as the NRC.
- Infrastructure costs (for example: property or plant used in the project.)
- Costs related to construction, purchase of a building or land with advance approval of NGen.
- Any eligible costs incurred before the approval of the project by NGen; projects will be notified when they are in the eligible funding zone.



[Capacity Building Project Requirements]

WHAT COSTS ARE INELIGIBLE?

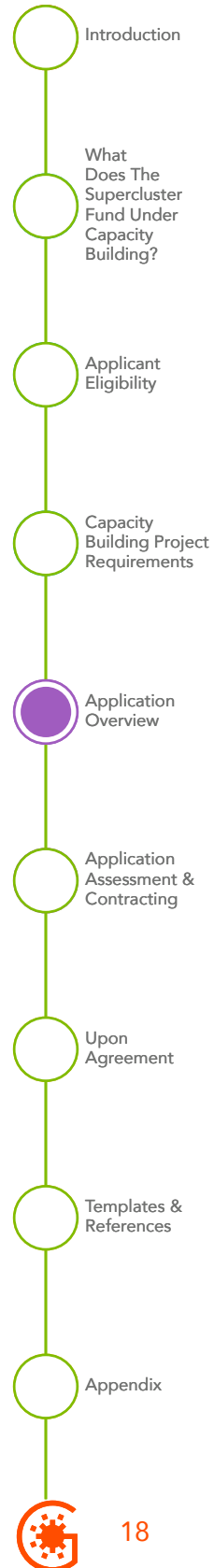
- Utilization of existing capital or equipment costs.
- Capital, infrastructure or equipment costs unrelated to project objectives.
- Expenses relating to the construction, purchase of a building or land.
- Fines and penalties.
- Provisions for contingencies.
- Losses on investments, other projects, contracts, bad debts or expenses for the collection charges.
- Federal and provincial income taxes, harmonized sales tax (HST), goods and services taxes (GST), excess profit taxes or surtaxes and/or special expenses in connection with those taxes.
- Expenses and depreciation of buildings or rooms that are not in use during the project.
- Amortization of unrealized appreciation of assets.
- Depreciation of assets paid for by NGen.
- Honoraria, gifts, donations, entertainment expenses, and alcoholic beverages.
- Dues and other memberships other than regular trade and professional associations.
- Extraordinary or abnormal fees for professional advice unless the NGen's approval is obtained prior to incurring the cost.
- Premiums for life insurance where proceeds accrue to the recipient.
- Discretionary severance and separation packages.
- Costs related to the routine administration and operation of recipients, except salary costs specifically related to the eligible project.
- Costs related to overhead incurred by recipients.
- Costs for which the recipient is eligible for a rebate from federal, provincial, territorial or municipal government sources.
- Salaries of the Members of the Board of Directors.
- Legal, accounting and consulting fees in connection with litigation or financial reorganization.
- Activities where benefits accrue to a single firm or organization.
- Projects where, in the opinion of the Minister, there is no buy-in from Members and no collaborative aspect.



Application Overview

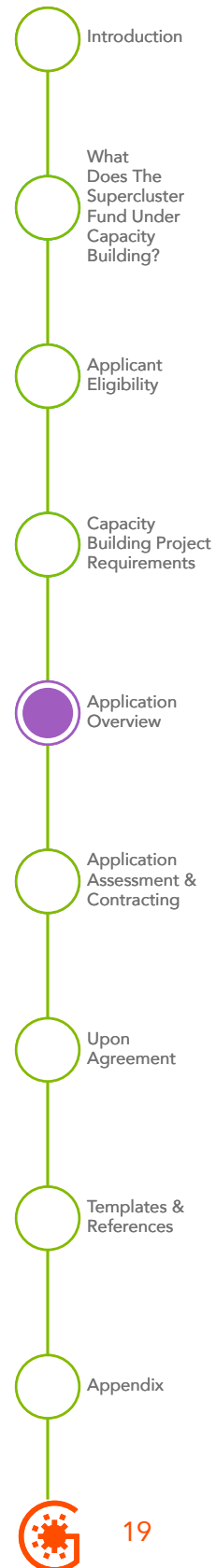
Applicants who meet eligibility requirements will be invited to submit a Single Application to provide:

- Names and contact information for each partner in the project.
- The name of the leading project partner (this information may be disclosed publicly).
- A short title and description of the project to a maximum of 300 words (this information may be disclosed publicly).
- Project applications are assessed on answers to 10 questions:
 - Q1. What is the opportunity the project addresses?
 - Q2. What is the overall project and risk management plan?
 - Q3. What is transformative about the project?
 - Q4. What is the nature and size of the potential market the project will address?
 - Q5. What sort of economic benefits is the project expected to deliver to those inside and outside the consortium, and over what timescale?
 - Q6. What are the broader ecosystem, social, and environmental benefits of the project?
 - Q7. How will the results of the project be exploited?
 - Q8. Does the project team have adequate skills and experience, resources, and access to facilities to deliver the identified benefits?
 - Q9. How does NGen add value to the project?
 - Q10. What is the financial commitment required for the project?
- Application guidance with regards to the ten questions are provided in Appendix A. This input is not an application checklist but is intended to provide a broad level of guidance to the applicant.
- Where the word count limits make it impossible to cover all points, the recommended approach is to cover selected significant points thoroughly and with some rigor, and to avoid making broad, unsupported statements in the application.
- There is a 400-word limit to the answer for each question. Any words in excess of the limit will be removed.



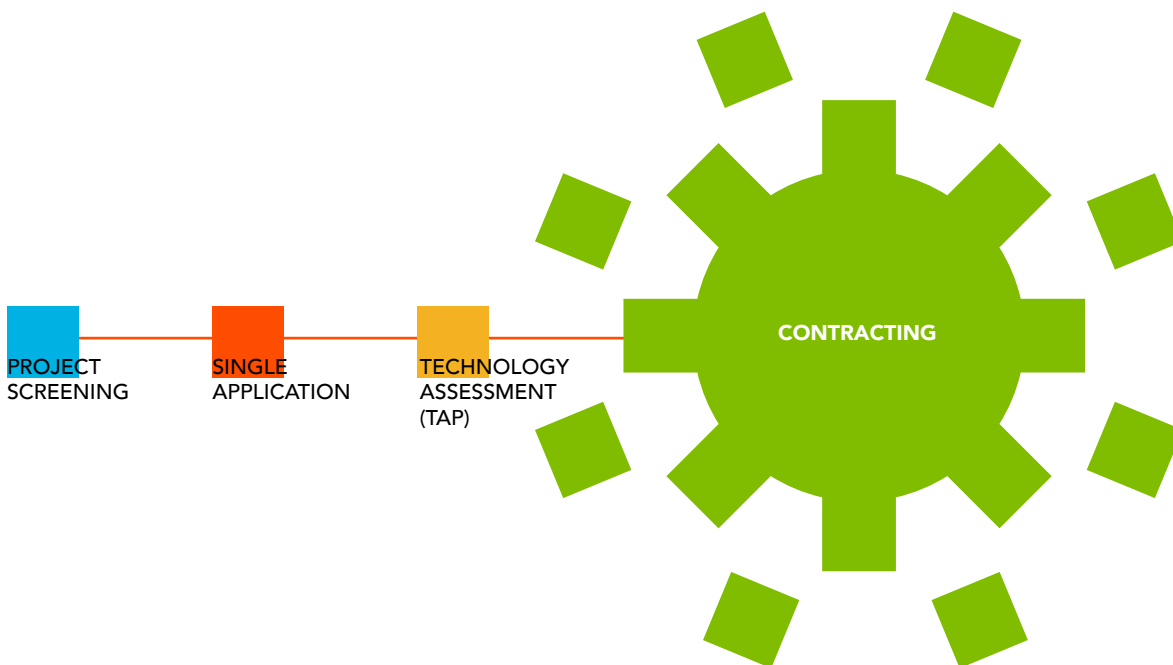
[Application Overview]


- In addition to the ten questions, applicants can upload six (6) appendices:
 1. **Project Plan** (DOC or XLS or MPP)
 2. **Risk Register** (DOC or XLS)
 3. **Question Appendix** (DOC or PDF)
 4. **IP Strategy Summary** (DOC or PDF)
 5. **Financial Workbook**
 6. **Application Agreement**
- Templates for the Financial Workbook, Application Agreement and IP Summary are available here. Links are provided in the Templates & References section.
- The Question Appendix is where graphs, charts and images required to support the application should be uploaded. These attachments should be appropriately labeled (for e.g. Fig 1, Graph 1, Image 1 etc.) to ensure the assessors can properly consider them with the proposal.
- There are no templates for the Project Plan, Risk Register or Question Appendix.
- Risk registers, project milestone schedules and project work breakdown structures do not count against this word count limit.



Application Assessment and Contracting

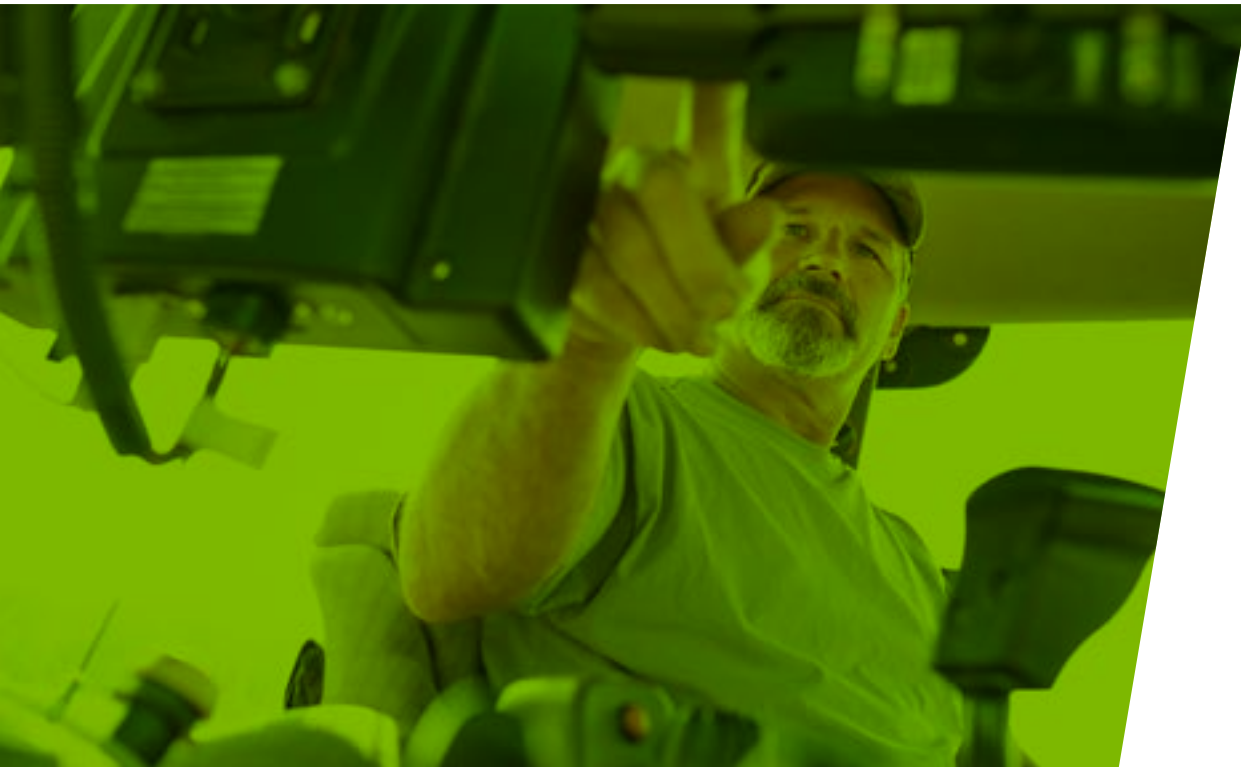
- Proposals are submitted online through the NGen Members Portal.
- Once submitted, proposals will be assessed by a panel of independent experts that evaluate and recommend which projects NGen will fund.
- Those projects that are selected for funding will be required to execute a Master Project Agreement that governs the funding and reporting requirements of the program, and a Collaboration agreement that defines the roles of project partners, allocation of projected costs, and joint risk management provisions.
- The Collaboration Agreement must set out how any foreground IP arising in the Pilot Project will be shared amongst project partners.
- The IP Strategy must indicate the types of foreground IP that project participants would be prepared to share (through licencing or other agreements) with other members of the Supercluster, specific exclusions to this, and under what conditions.
- NGen staff will work with funding recipients to monitor and report on the progress of projects.




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Upon Agreement

Upon the final recommendation of an independent assessment, NGen will conclude a Master Project Agreement (MPA) with selected funding recipients detailing project requirements, reporting, and NGen's compliance obligations.



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Templates & References

TEMPLATES ARE ACCESSIBLE [HERE](#)

- Financial Workbook template in Excel
- Financial Summary template
- Application Agreement template in PDF
- NGen Intellectual Property Strategy references
- NGen Intellectual Property template



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Appendix: Ten Assessment Questions – Guidance

NGEN ASSESSMENT QUESTION GUIDANCE Based on 1-10 point score

1. What is the opportunity the project addresses?

- Outline the big-picture motivation and overall objectives the project is trying to achieve.
- Clearly define the business and/or technology opportunity.
- List any project partners and their overall opportunity and role within the project.
- Outline what the project team needs to do to successfully complete the project within the desired timeframe and budget. What are the specific challenges, research questions, and/or technical complexities that will be addressed?
- If the Pilot Project is intended to provide support to address critical gaps that would prevent the successful award of a larger NGen Project, identify these gaps and reference the Question response(s) under which these key gaps will be described in greater detail.



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NGEN ASSESSMENT QUESTION GUIDANCE Based on 1-10 point score

2. What is the overall project and risk management plan?

- Provide your overall project plan, including subtask descriptions where necessary.
- Identify the key milestones and deliverables that show how the overall project will be achieved.
- Explain who will do what on the project team and how collaboration, communication and alignment will be ensured.
- Provide an overview of the key risks to be overcome in the project in terms of likelihood and severity of impact and describe strategies for their mitigation.

3. What is transformative about the project?

- Explain how the successful completion of the project has the potential to transform or support the transformation of your organization.
- Where the successful completion of the project will provide an enabling platform for further technology development including a follow-on NGen project, identify the potential transformative impact of the overall strategy for each partner organization.
- Describe any novel research that will be undertaken as part of the project. Highlight and explain the timeliness and novelty of these research aspects of the project in an industrial and/or academic context.
- What is the plan and rationale for the protection and or sharing any resulting IP amongst your consortium partners and, beyond this, with other NGen members?

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NGEN ASSESSMENT QUESTION GUIDANCE Based on 1-10 point score

4. What is the nature and size of the potential market the project will address?

Describe the business opportunity that underlies the project, including details of:

- the target market, including the size, margins, market leaders, key competitors, price competition, barriers to entry
- the expected share of market to be captured as a result of this project
- the growth opportunity your project will create, including the projected market share it will make possible or the extent to which the project will increase your capacity.

5. What sort of economic benefits is the project expected to deliver to those inside and outside the consortium, and over what timescale?

- Identify the potential economic benefits the project will have, both for participating project partners and those outside the project consortium.
- Describe how the project can help protect or increase employment at your organization and in other similar companies in Canada.
- Will the project create spin-off business opportunities (new businesses, new or expanded supplier or partner relationships) in Canada?

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NGEN SINGLE & INITIAL APPLICATION GUIDANCE Based on 1-10 point score

6. What are the broader ecosystem, social, and environmental benefits of the project. Including the extent of collaboration with SMEs, academic, and other research organizations?

Describe the benefits this project will bring to the broader advanced manufacturing ecosystem:

- Are there opportunities for new skills development and training for existing staff? Is there interaction with colleges, universities and/or research institutes?
- Will the project help to develop or support the use of tools, testbeds, or data platforms that will foster future technology development, adoption, scale-up, and commercialization activity in Canadian manufacturing?
- Will the project further enhance the ability of industry, education, research, and other private and public organizations to work together to strengthen advanced manufacturing in Canada?
- Does the project offer broader social or environmental benefits to Canada or the Canadian Advanced Manufacturing ecosystem?

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NGEN ASSESSMENT QUESTION GUIDANCE Based on 1-10 point score


7. How will the results of the project be exploited?

- Describe the activities that will be undertaken to ensure the sustainability and continued growth of the project outcomes beyond the project's end.
- If the results of the project will enable the members of the consortium to pursue additional and further development support under NGen or other manufacturing development initiatives, please identify how the proposed project fits into an overall development and growth strategy for your organization.

8. Does the project team have adequate skills and experience, resources, and access to facilities to deliver the identified benefits?

- Describe the track record of the project team members in undertaking and exploiting the results of research and development projects, to show your capability to develop and exploit the technology.
- Consider whether:
 - » the project team has the right available mix of skills and experience to deliver the project successfully
 - » appropriate governance structures are in place to manage and deliver the project



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NGEN ASSESSMENT QUESTION GUIDANCE Based on 1-10 point score

9. How does NGen add value to your project?

Provide evidence that NGen support is essential to achieve the project goals.

Questions to consider:

- How has the project scope changed due to NGen support?
- Is NGen funding critical to undertake the project as proposed?
- Does NGen funding allow the project to be undertaken differently (more quickly, at a larger scale, with more partners)?
- Would the collaborative partnership have been formed without NGen support?

10. What is the financial commitment required for the project?

- Ensure that all key points relating to the finances are described in the application form and that adequate resources are available to successfully complete the proposed activity.
- Supporting information and explanation for project costs should be provided in this section of the form, including high level costed work packages.

In evaluating the project, the assessors will consider the following questions:

- is the budget realistic for the scale and complexity of the project?
- is a financial commitment from other sources demonstrated for the balance of the project costs?
- have the costed work package breakdowns been described and justified adequately



JOIN THE SUPERCLUSTER AT **NGEN.CA**

NGen is founded on the principle that the transformation to advanced manufacturing will enrich the lives of Canadians, delivering better products and good jobs while generating the economic growth essential to a better future.

This guide is meant to provide project participants with additional assistance in understanding the framework of the Innovation Supercluster Program. In case of any discrepancy or inconsistency between this Guide and the Innovation Supercluster Initiative Program Guide (which can be found [here](#)), the Innovation Supercluster Initiative Program Guide shall prevail.

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