
Southern Ontario Prosperity Initiatives (SOPI); Advanced Manufacturing Fund (AMF); and Eastern Ontario Development Program (EODP)

December 2013
Purpose

To present an overview of the Federal Economic Development Agency for Southern Ontario’s (FedDev Ontario) Southern Ontario Prosperity Initiatives (SOPI); Advanced Manufacturing Fund (AMF); and Eastern Ontario Development Program (EODP) for 2014–19.
FedDev Ontario Results to Date

Since 2009, the Agency has achieved the following results:

- Almost $1.2 billion of funding provided to businesses, entrepreneurs, post-secondary institutions, not-for-profits and other organizations
- More than 5,300 partnerships established
- Leverage ratio of $2.60 for every $1.00 invested by FedDev Ontario through the Southern Ontario Development Program (over 360 projects)
- Development of an Industrial and Regional Benefits team
- Delivery of national infrastructure programs throughout Ontario
Guiding Principles

- **Client-Focused**
  - Reduce administrative burden for clients
  - Streamline Agency tools/forms - reduce number of initiatives
  - Facilitate ease of applicant navigation
  - Expedite time to screen, assess, approve and contract projects

- **Alignment with Federal and Agency Priorities**
  - Complement other federal and provincial programs and services

- **Maximize Agency Investments**
  - Triage applications to ensure projects directed to appropriate program
  - Focus on key economic objectives

- **Leverage Partnerships**
  - Co-invest by requiring contributions from others
  - Third-party delivery (where strategic and appropriate)
  - Encourage stakeholders to collaborate
FedDev Ontario Overview

Our Role

- **Convenor** – Bringing together the right people to improve the economy
- **Champion** – Promoting the assets of the region in order to raise the profile of southern Ontario nationally and internationally
- **Delivery Agent** – Delivering national programs and strategic projects right where they are needed
- **Co-Investor** – Working with others to stimulate the economy
Economic Action Plan 2013 announced $920M in funding to renew Agency (2014-19),

SOPI, AMF and EODP designed to invest in:
- Innovative and globally-oriented entrepreneurs, businesses and organizations;
- Strong and prosperous partners and communities

A: The Southern Ontario Prosperity Initiatives ~ $530M
1. Investing in Business Innovation (IBI)
2. Investing in Business Growth and Productivity (IBGP)
3. Investing in Regional Diversification (IRD)
4. Investing in Commercialization Partnerships (ICP)

B: Advanced Manufacturing Fund (AMF) = $200M

C: Eastern Ontario Development Program (EODP) = $48M

JOBS, GROWTH AND LONG-TERM PROSPERITY
Investing in Business Innovation

Objectives
- Provide mentorship and entrepreneurial support to help new businesses grow and succeed
- Support the success of new businesses in developing globally-competitive products and services
- Strengthen angel networks and increase availability of investment capital

Eligible Recipients
- Not-for-profit organizations (NFPs) delivering services to entrepreneurs (research/innovation centres, incubators, accelerators, CFDCs)
- Early-stage businesses (Canadian incorporated, headquartered in southern Ontario, employing less than 50 full-time positions)
- Angel networks and their regional organizations (Angel Orgs.)

Eligible Costs (EC)

<table>
<thead>
<tr>
<th>Recipient Type</th>
<th>Labour</th>
<th>Expertise</th>
<th>Capital</th>
<th>Non-Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>NFPs</td>
<td>✓</td>
<td>✓</td>
<td>×</td>
<td>✓</td>
</tr>
<tr>
<td>Early Stage Businesses</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Angel Orgs.</td>
<td>✓</td>
<td>✓</td>
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Funding

<table>
<thead>
<tr>
<th>Recipient Type</th>
<th>Maximum Funding</th>
<th>% EC</th>
<th>Required Matching</th>
</tr>
</thead>
<tbody>
<tr>
<td>NFPs</td>
<td>$20M per project</td>
<td>100%</td>
<td>50% (seed financing)</td>
</tr>
<tr>
<td>Early Stage Businesses</td>
<td>$1M per business</td>
<td>33⅓%</td>
<td>66⅔% cash</td>
</tr>
<tr>
<td>Angel Orgs.</td>
<td>$500K per org.</td>
<td>100%</td>
<td>Nil</td>
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Parameters
- **NFPs**: Non-repayable contribution; up to $30K seed funding per start up business (matched by 50% by the entrepreneur). Up to $10K for training and mentoring per new entrepreneur.
- **Early-Stage Businesses**: Unconditionally repayable contribution; matched by angel and venture capital (VC) investors.
- **Angel Orgs.**.: Non-repayable contribution.

Application Process
- Continuous intake; single-phase application
Investing in Business Growth and Productivity

Objectives
- Assist established businesses to grow by expanding markets and facilities
- Increase adoption of new technologies and processes to improve productivity
- Increase business capacity to participate in global markets through market diversification and integration in global value chains

Eligible Recipients
- Small- and medium-sized enterprises (SMEs) (Canadian incorporated, located in southern Ontario, successful track record, employing more than 15 full-time positions)
- Not-for-profit organizations (NFPs) (industry associations and regional economic development organizations)

Eligible Costs (EC)

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<thead>
<tr>
<th>Labour</th>
<th>Expertise</th>
<th>Capital</th>
<th>Non-Capital</th>
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Funding

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<thead>
<tr>
<th>Recipient Type</th>
<th>Maximum Funding</th>
<th>% EC Up To</th>
<th>Required Matching</th>
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<tbody>
<tr>
<td>SMEs</td>
<td>$20M per project</td>
<td>25%</td>
<td>75% cash</td>
</tr>
<tr>
<td>NFPs</td>
<td>$20M per project</td>
<td>100%</td>
<td>50% - SME</td>
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Parameters
- **SMEs**: Unconditionally repayable contribution for projects that result in adoption of new technologies, processes, and related skills; business / market opportunity development and expansion; facilities improvement or expansion. 75% matching from financial institutions, VCs or other sources.
- **NFPs**: For third-party delivery of non-repayable contributions to SMEs to improve productivity. Maximum contribution to an SME is $100K (must be matched). NFPs non-repayable contributions up to 50% for other types of productivity projects.

Application Process
- Continuous intake, 2-phase application for SMEs
Investing in Commercialization Partnerships

Objectives
- Increase the capacity of existing and emerging innovation ecosystems (on-the-ground organizations like Regional Innovation Centres (RICs), post-secondary institutions (PSIs) and incubators working together to promote innovation) within southern Ontario to collaborate with the private sector
- Create innovative products, technologies and services through business-led collaborations
- Increase collaborations with PSIs leading to the commercialization of products and services
- Develop globally-competitive economic clusters in southern Ontario

Eligible Recipients
- Post-secondary institutions (located in southern Ontario)
- Not-for-profit organizations (NFPs), including research institutions (located in southern Ontario)

Eligible Costs (EC)

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<tr>
<th>Labour</th>
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<th>Capital</th>
<th>Non-Capital</th>
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Funding

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<tr>
<th>Maximum Funding</th>
<th>% EC</th>
<th>Required Matching</th>
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<tbody>
<tr>
<td>$20M per project</td>
<td>50%</td>
<td>50% cash</td>
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Parameters
- Non-repayable contribution
- Transfer of funds from NFP to for-profit project participants not permitted
- Focus on business-led projects that develop commercially-viable products/platforms within project lifecycle
- Focus on developing globally competitive economic clusters

Application Process
- Continuous intake
- Single-phase application
Investing in Regional Diversification

Objectives

- Enhance business attraction, investment and employment opportunities in southern Ontario regions and communities
- Strengthen regional businesses and clusters with the goal of economic diversification and sustainability
- Improve the economic circumstances of communities facing distress
- Develop and expand collaborative efforts to strengthen regional assets and competitiveness

Eligible Recipients

- *Not-for-profit regional and community economic development organizations* located in southern Ontario.

Eligible Costs

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<tr>
<th>Labour</th>
<th>Expertise</th>
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<th>Non-Capital</th>
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Funding

- **Maximum Funding**: $20M per project
- **% EC**: 50%
- **Required Matching Contribution**: 50% cash

Parameters

- Non-repayable contributions

Application Process

- Continuous intake
- Two-phase application
Advanced Manufacturing Fund

Objectives
- Support large-scale, incremental and transformative advanced manufacturing activities which will increase productivity
- Advance development and/or adoption of cutting-edge technologies, leading to products, processes and technological innovation
- Encourage projects that create spillover benefits for manufacturing clusters or global supply chains
- Foster collaborations between the private sector, post-secondary and research institutions

Eligible Recipients
- For-profit eligible manufacturing firms are: a) undertaking manufacturing and R&D activities in Ontario; b) undertaking manufacturing activities in Ontario; or c) conducting R&D in Ontario, but not manufacturing in Ontario
- Not-for-profit (e.g., research institutions, centres of excellence, post-secondary institutions) in Ontario

Funding

<table>
<thead>
<tr>
<th>Minimum Funding (normally)</th>
<th>% EC</th>
<th>Maximum Funding (normally)</th>
<th>Required matching</th>
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<tbody>
<tr>
<td>$10M per project</td>
<td>Up to 50%</td>
<td>$20M per project</td>
<td>At least 50% cash</td>
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Eligible Costs

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<th>Labour</th>
<th>Expertise</th>
<th>Capital</th>
<th>Non-Capital</th>
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Parameters
- For-profit: Unconditionally repayable contributions over a negotiated repayment period.
- NFPs (in partnership with anchor firm): Non-repayable contributions; transfer of funds to for-profit project participants not permitted.
- The contributions provided will normally be between $10M and $20M per project.
AMF: Unique Features

- **Project Intake Approach:**
  - Projects are assessed once received against program criteria
  - Intake will be organized along (at least) two timeframes
    - *Intake 2014* = December 2013 to October 2014
    - *Intake 2015* = January 2015 to October 2015
  - Applicants can re-apply if rejected in first intake

- **Geographic Coverage**
  - AMF projects will support advanced manufacturers across all of Ontario

- **Interdepartmental Collaboration**
  - FedDev Ontario will deliver the program across the province and is the point of contact for AMF applicants
  - The Federal Economic Development Initiative for Northern Ontario (FedNor) will work with local stakeholders to promote the Fund throughout northern Ontario
  - Industry Canada will support the Agency with project assessments
Eastern Ontario Development Program

Objectives
- Promote growth of new and existing businesses in rural eastern Ontario communities
- Advance community-led economic development to enhance and diversify local economies
- Support collaborative economic development projects that demonstrate benefits to multiple communities

Eligible Applicants
- CFDCs located in eastern Ontario
- Eastern Ontario CFDC Network

Eligible Project Recipients
- For-profit enterprises
- Not-for-profit organizations

Eligible Costs

<table>
<thead>
<tr>
<th>Labour</th>
<th>Expertise</th>
<th>Capital</th>
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<tr>
<th>Recipient Type</th>
<th>Maximum Funding</th>
<th>% EC</th>
<th>Required Contribution</th>
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<tbody>
<tr>
<td>CFDC</td>
<td>$500k/yr</td>
<td>100%</td>
<td>Nil</td>
</tr>
<tr>
<td>EOCFDC</td>
<td>$4.2M/2 yrs</td>
<td>100%</td>
<td>Nil</td>
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Parameters
- Non-repayable contributions
- For-profit recipient: max of $100K per project, must provide 50% cash contribution
- NFP recipients: must provide 50% cash contribution
- Minimum size for Collaborative Economic Development projects is $100K

Application Process
- Eastern CFDCs to submit application for 5 year funding with annual review
- EOCFDC Network to submit application for 2 year funding to deliver Collaborative Economic Development projects
EODP: Unique Features

- **Project Intake Approach:**
  - Business Development and Community Innovation Projects delivered through 15 CFDCs in Eastern Ontario
  - Collaborative Economic Development Projects delivered through Eastern Ontario CFDC Network Inc.
  - Eligible project recipients encouraged to work through CFDCs or EOCFDC Network

- **Geographic Coverage**
  - EODP projects are focused on Eastern Ontario
Questions?

Call: 1-866-593-5505
Follow us on Twitter: @FedDevOntario