DIGITAL

Program Guide

DIGITAL LEARNING LAB

AI Skills and Adoption

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

Last Updated: September 12, 2024

Contents

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 AI Skills and Adoption Program of the Digital Learning Lab, supported by the federal Pan-Canadian AI 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

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

Through funding from the Commercialization Pillar of the Pan-Canadian Artificial Intelligence Strategy (PCAIS), DIGITAL is nurturing AI talent and accelerating the adoption of AI technologies. Through the AI Skills and Adoption stream of our Horizon AI program, we are addressing both the supply and demand sides of the AI ecosystem: developing the builders who create AI solutions and supporting the buyers who adopt these technologies.

Areas of Interest

DIGITAL will co-invest up to $5 million of funds from the Commercialization Pillar of the federal Pan-Canadian AI Strategy, alongside industry, that will result in more than $10 million of new investment in the development of applied AI talent and adoption of innovative AI technologies.

DIGITAL aims to co-invest in projects that align with the objectives of the AI Workforce Development and AI Adoption Accelerator areas of interest. We seek proposals that demonstrate innovation, scalability and a strong potential for impact in the following areas:

AI Workforce Development

To position Canada as a global leader in AI products, we need a robust pipeline of applied AI talent. This involves not only developing technical skills but also ensuring that future professionals have the practical experience and business acumen needed to drive innovation and bring AI solutions to market.

To achieve this, projects under this area of interest should ideally integrate multiple components, including work-integrated learning (WIL), equity, diversity, and inclusion (EDI), skill development, wraparound supports, industry-academic partnerships, and clear employment outcomes. Proposals are encouraged to encompass the following elements:

- Work-Integrated Learning: Providing practical, hands-on experiences through internships, co-ops, or practicums in collaboration with industry leaders.
- Skill Development: Equipping learners with in-demand AI/ML/DS competencies and commercialization skills.
- Equity, Diversity, and Inclusion (EDI): Increasing the participation of women and other underrepresented groups in the AI workforce.
- Industry-Academic Partnerships: Aligning academic curricula with industry needs to ensure that students gain relevant and applicable skills and fostering collaboration to offer real-world work experience.
- Employment Outcomes: Setting measurable objectives for post-program employment in AI roles, ensuring a clear pathway to AI-related careers.

AI Adoption Accelerators

While a robust talent pipeline is essential for developing cutting-edge AI technologies, it is equally important to cultivate a strong domestic market that actively adopts and integrates these innovations. Like the development of AI products and solutions, effective adoption also requires a distinct set of skills and competencies. By supporting the “demand side”—how businesses, public, and not-for-profit entities will adopt and integrate AI solutions—we create a robust ecosystem that not only drives innovation but also sustains the growth of Canadian-made AI products.

This area of interest aims to enable the widespread adoption of AI technologies across Canadian organizations, which will directly support industry by providing AI developers with the necessary market validation, feedback, and revenue to refine and scale their solutions. In the long run, driving AI adoption will also ensure that Canadian organizations remain at the forefront of technological advancements and are well-equipped to tackle emerging challenges in the AI-driven economy.

To achieve this, projects will focus on developing the skilled workforce needed to implement and manage AI solutions across sectors. Examples of support include, but are not limited to:

- Sector-Wide AI Competency Building: Enhancing AI fluency and skills across multiple organizations within a sector through training and development programs. Training can be targeted at both employees and leadership teams, ensuring organizations can effectively implement and manage AI tools. Note: **Internal training programs for individual organizations are not eligible; projects must promote AI adoption on a larger scale.**

- Shared AI Resources and Infrastructure: Creating shared AI tools, platforms, or infrastructure—such as data centers or cloud computing resources—that multiple organizations can access, along with training programs to equip users with the skills to use these resources effectively. This enables even smaller entities to leverage advanced AI technologies while building the talent needed to fully benefit from these tools.

- Collaborative AI Learning Networks: Establishing networks that connect organizations within and across sectors to share knowledge, best practices, and resources for AI adoption, fostering a collaborative approach to workforce readiness.

- Responsible AI Practices: Promoting safe and ethical AI adoption by equipping individuals with the knowledge and skills to apply data privacy, security, and ethical guidelines in AI systems. Through targeted training and best practices, this ensures that talent is prepared to implement AI responsibly.

We acknowledge that this is not an exhaustive list of all challenges or opportunities in the ecosystem, and encourage applications that are able to address a clearly demonstrated need or opportunity.

Target Outcomes

Successful projects will:

AI Workforce Development

- Increase the number and diversity of technical and market leaders who can lead the development and commercialization of AI products and services.

- Develop work integrated learning or practicum opportunities for domestic and international students, accelerating their ability to move into Canada's AI workforce and supporting the growing demand for talent.

- Provide access to opportunities for women and underrepresented groups to lead, participate, and grow in the field of applied AI by scaling projects with Equity, Diversity, and Inclusion (EDI) cohorts.

AI Adoption Accelerators

- Increase the AI literacy and fluency of employees and leadership teams across organizations and sectors, ensuring a strong understanding of AI technologies and enabling more informed decisions regarding their implementation.

- Improve productivity and customer experience within organizations by supporting the implementation of AI technologies to address specific operational challenges.

- Equip organizations with the tools, knowledge, skills, and support needed to effectively select, implement, and manage AI technologies, integrate them into existing systems, ensure data privacy and security, manage organizational change, and adhere to ethical standards.

- Establish guidelines and training on ethical AI practices, ensuring organizations adopt AI technologies responsibly, with a focus on fairness, privacy, and transparency.

The AI Skills and Adoption stream will contribute to a sustainable AI ecosystem in Canada by increasing the diversity and number of applied AI professionals and supporting organizations to adopt and implement AI technologies. The program targets training at least 500 learners, with a focus on supporting individuals from underrepresented groups and facilitating their job placements in the AI industry. Concurrently, it will enhance organizational AI capabilities, ensuring ethical and effective AI adoption. This collective effort will position Canada as a global leader in AI development and commercialization.

Project Eligibility

Projects are selected using a competitive process. Eligible projects must demonstrate:

Consortia

- There must be a minimum of **three organizations** (excluding DIGITAL) in the consortium contributing in a meaningful way.
  - The lead organization will have overall accountability for project governance and reporting.
- Project must be **industry focused.**
  - At least one organization of the consortium must be industry and is expected to make a material financial contribution to the project.
    - For AI Workforce Development projects, at least one industry organization must be involved to validate the relevance of training programs, confirm the demand for skills, and provide work-integrated learning (WIL) opportunities;
    - For AI Adoption Accelerators projects, this requires including at least one organization that represents a potential customer of the AI training/adoption solution.

- **A research or post-secondary academic institutions is encouraged**, especially to conduct independent evaluations or develop case studies that prove out the benefits realized by the project.
- **A community organization is encouraged,** to provide wraparound support for learners, particularly those from underrepresented groups, including mentorship, career guidance, and additional resources that support barriers to participation and success in the AI workforce.
- Project lead must be Members or Associates at the time of application submission. For more information and to join, visit **here.**

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

Co-investment

- The funds available from DIGITAL are limited to $5 million and DIGITAL's co-investment is subject to availability of funds from ISED for the Pan-Canadian AI Strategy.
- In this stream, DIGITAL will co-invest **up to 50%** of total eligible project costs.
- DIGITAL provides co-investment only to Members[1] ("**Eligible Members**") in good standing[2] that are:
  - for-profit organizations;
  - not-for-profit organizations; or
  - non-federal Crown corporations whose funding is derived from commercial activities.
- All organizations that expect to receive DIGITAL co-investment must become Members when their project is selected.
- 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.

[1] 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.

[2] 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.

- No single organization may receive **more than 80%** of DIGITAL's project co-investment unless otherwise pre-approved by DIGITAL.

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

Incrementality

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.

Project Size and Timeline

- There is no maximum project size. The maximum amount of DIGITAL's co-investment is up to 50% for individual projects, subject to the availability of total funds under the stream.
- Projects may take up to 1 year 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 intellectual property 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.

Data Governance and IP Strategy

- Projects must create a clear IP strategy for new Foreground IP and Background IP (see more details and IP definitions in Appendix 3).
- 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.
- Projects must have data governance frameworks and mechanisms (see more details on Responsible Use of Technology and Data in Appendix 4).
- Consortia must have data governance frameworks and mechanisms, including having at least $2 million of cybersecurity insurance to cover network security and privacy breach liability.

Evaluation Criteria

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

Industry Demand & Relevance (30%)

- Demonstrates alignment with industry needs and clearly articulates how the proposed training or support addresses current demand.
- For **AI Workforce Development** projects: Includes industry involvement to validate the relevance of training programs and the demand for skills, ensuring participants are job-ready upon completion. Employers' participation and provision of work-integrated learning (WIL) opportunities are highly encouraged.
- For **AI Adoption Accelerator** projects: Identifies specific industry sectors or organizations that will benefit from the project, with a clear plan for engaging these stakeholders. It is encouraged to involve potential

EDI & Ecosystem Impact (30%)

- Advances equity and diversity by increasing participation and support for underrepresented groups in the AI industry.
- Provides wraparound support for project participants, particularly those from underrepresented groups, including mentorship, career guidance, and additional resources that support barriers to participation and success in the AI workforce.
- Strengthens and develops the broader AI ecosystem in Canada by fostering partnerships and collaboration.
- Projects must deliver **quantifiable benefits for Canada** and **benefits must accrue to more than a single organization.**
- Includes sustainability and scalability plans, with a focus on maintaining the

early adopters or end-users in the design and validation of the solution to ensure it is practical and addresses real-world challenges faced by organizations in implementing AI solutions. • Provides evidence of industry commitment through letters of support, partnerships, or co-investment.	solution's long-term impact, adapting it for use in various contexts, and sharing outcomes with the broader community to drive further innovation.
Workforce Innovation (20%) • Introduces new ideas, methodologies, or practices that significantly advance the field or address existing problems in a unique way. • Builds upon evidence of research and development efforts that have led to the proposed innovative solution, including pilot studies or preliminary results. • Uses advanced technologies in the proposed solution to enhance training delivery or solution implementation. • A clear IP plan covering ownership and protection, with a solid approach to data sharing, access, and responsible use of data and technology. Open-source models are strongly encouraged to promote transparency and collaboration.	**Team & Management Plan** (20%) • The consortium is balanced, with the necessary expertise and capabilities, and added value through collaboration across private, public, not-for-profit, and academic sectors. • All consortium partners stand to benefit commercially, operationally, scientifically, or academically from the project, ensuring strong engagement, commitment, and collaborative effort throughout the project's lifecycle. • The project has a robust governance structure with experienced independent management, a realistic execution plan, and clear financial and service commitments for each participating organization. • Comprehensive risk management plan to ensure project success.

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.

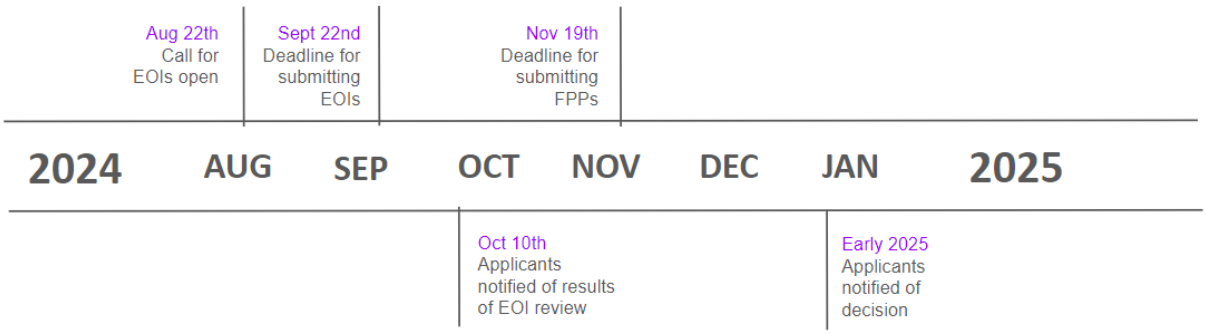
All consortium partners are expected to work together during the application process and provide organizational signoff by an authorized signatory when submitting the applications. Each organization participating in the proposed project agrees that, by applying they will:

- 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, the 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 according to set timelines. Teams are required to prepare their best applications by the following due dates:



1st Application: Expression of Interest (EOI)

The lead organization of qualified consortia will submit an EOI using the EOI template(s) and submission instructions provided on DIGITAL's website.

The EOI is intended to assess and confirm project eligibility, fit and readiness: the potential for success. EOIs will be reviewed after the EOI submission deadline is passed. 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 EOI review.
- Lead organizations will receive a notice of decision letter from DIGITAL by email. Successful applicants will be invited to develop a Full Project Proposal.

2nd 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.

Appendixes

Appendix 1: About DIGITAL

DIGITAL, Canada's Global Innovation Cluster for digital technologies, grows Canadian businesses through the development, adoption and deployment of Canadian-made technologies and by working with industry to develop a digitally skilled workforce to positively impact lives across our country.

We bring together businesses, academia, community and government agencies to solve some of industry and society's biggest challenges – better and faster than any single organization can do on its own. Through a powerful model that combines cross-sector collaboration, Canadian IP creation and results-based co-investment, we unlock the potential of Canadian industry to lead and succeed in the digital world.

Our investment in technology development is also integrating the development of a diverse and skilled workforce to support the scaling of small and medium enterprises (SMEs) and a robust innovation ecosystem, led within our Digital Learning Lab. Within the Digital Learning Lab, we support projects and opportunities that will support our mandate to build capacity in the digital technology ecosystem; increase the breadth and diversity of talent in the sector; and expand Canada's capacity to be a global leader in digital technology development, adoption and deployment.

Appendix 2: DIGITAL 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 money. It is about doing things differently - leveraging each other's strengths to drive innovation, overcome challenges and explore new opportunities.

The ideal project consortium:

- will have one lead organization responsible for the project's overall management and at least one partner involved in project delivery;
- grants a major consortium role to industry and employers, showing great demand for the presented solution;
- for AI Workforce Development projects, involves community organizations to provide wraparound support for learners, particularly those from underrepresented groups, including mentorship, career guidance, and additional resources that support barriers to participation and success in the AI workforce.

- for AI Adoption Accelerators projects, involve partners from industry, public, or non-profit sectors as potential early adopters to validate the effectiveness of the proposed AI solutions and support mechanisms.
- 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.

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. In this stream, DIGITAL will **co-invest up to 50% of each selected projects’ total value,** alongside the project’s industry investment (prioritized) and other potential funding sources. Funding from DIGITAL is non-refundable and non-dilutive.

The 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 Co-Investment Guidelines – Horizon AI for more information about our approach to co-investment and the eligibility of project costs and uses of DIGITAL’s funds from Commercialization Pillar of the Pan-Canadian AI Strategy.

Demand-Driven

Our program emphasizes a demand-driven approach, ensuring that projects are aligned with real-world needs and practical applications. For each stream, this principle involves specific validation processes:

For **AI Workforce Development** projects, validation ensures that training programs are aligned with industry needs, guaranteeing that participants will acquire skills that are in high demand. This alignment, with the inclusion of work-integrated learning (WIL) opportunities, should also facilitate participants’ transition into the workforce, increasing their chances of finding relevant employment upon completion of the program.

For **AI Adoption Accelerators** projects, validation focuses on confirming that the support ecosystem being developed is necessary and practical. This means ensuring that the AI solutions and support mechanisms are tailored to the actual needs of the organizations adopting them, whether they are from industry, public, or non-profit sectors. The aim is to create effective, scalable, and sustainable AI implementations that address specific challenges and enhance operational capabilities.

Appendix 3: 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.

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.

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

- the market opportunity;
- the respective roles and expected benefits for each participating organization in any improvement of the AI technology solution, and in commercialization activities; and
- the data that will be used for ongoing development, training or learning of the AI 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	• Protection against third parties making, selling, or using invention without permission • Protection against independent creation	• 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.

Appendix 4: Responsible Use of Technology 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).

- 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 $2 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” AI 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 the 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 license on fair, reasonable, and non-discrimintory (FRAND) terms, subject to relevant competitive issues, confidentiality obligations and any restrictions on publications.

Appendix 5: Tips for success in writing applications

- Assemble and engage a strong collaborative consortium who share in the project's vision, 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.
- Clarify employers' involvement, to show clear demand for the solution. Define the specific problem that is addressed and describe how the commercial viability of the proposed technology solution has been validated by stakeholders.
- Specify the EDI approach and focus and explain how this solution lower barriers for under-served individuals.
- 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.
- If applicable, 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.