

FUNDING AND GRANTS AVAILABLE TO TECHNOLOGY AND INNOVATION COMPANIES IN ALBERTA, CANADA

Posted on January 19, 2021

Categories: [Insights](#), [Publications](#)

The technology industry in Alberta has grown significantly in the past decade and is increasingly becoming an important part of Alberta's economic future. Alberta has become a destination for international technology companies looking to expand into the Canadian market and a world leader in machine learning research and development, innovative geomatics technologies and interactive digital media. Between 2009 and 2020, the number of tech companies in Alberta increased by 87%.

In particular, Calgary's tech industry is flourishing. In addition to having the highest concentration of high-tech workers in Canada, Calgary companies file more patents per capita than those of any other Canadian city and boasts a start-up ecosystem valued at approximately \$1.2 billion. To fuel the growth of the tech industry, it is estimated that Calgary companies will spend over \$18 billion dollars on digital transformation between 2020 and 2022.

In its 2020-2023 Fiscal Plan, the Government of Alberta recognized technology, data and telecommunications as a key sector in Alberta's economy. As part of the Alberta Recovery Plan, the Government of Alberta committed to investing an additional \$175 million in the Alberta Enterprise Corporation (AEC) to help drive growth in the tech industry. The AEC leverages its expertise and connections in the tech industry to connect Alberta tech inventors, innovators and entrepreneurs to venture capital.

In addition to promoting venture capital in Alberta's tech industry, the federal, provincial and municipal governments have dedicated significant resources to assist tech companies, both in terms of investment (such as through the AEC) and through grants or other incentives. In 2018, government grants accounted for 56% of the funding sources for Alberta tech companies. While there are increasing opportunities to raise funds through angel investors and venture capital, there are also numerous grants and incentives available to tech companies in Alberta. Below is a brief summary of certain of these grants and incentives.

Alberta Innovates

Alberta Innovates is Alberta's largest research and innovation agency and provides a variety of funding and grants to support growth in the commercialization of technologies by Alberta companies. When the Alberta

Government released its budget in February 2020, they announced plans to invest \$184 million in Alberta Innovates during the 2020-21 fiscal year. Funding opportunities cover numerous industries and are available for companies in all stages of their business. Below is a summary of certain funding and grant opportunities sponsored by Alberta Innovates.

Micro Voucher Program

The Micro Voucher Program is a common entry point with Alberta Innovates and consists of a grant of up to \$10,000 for eligible high-potential, high-growth, technology or knowledge-based small and medium-sized enterprises (or “SMEs”) in the early stage of product development. The program is designed to cover costs associated with new product technology development. Specifically, the grant can cover one or more of the following activities: new product research and development; design, engineering and prototype development; product testing and refinement; patent development (excluding patent maintenance fees); advanced market assessment or segmentation analysis; advanced business and/or marketing strategies; and/or other technology development activities that will be considered on a case-by-case basis. The program has a continuous open application process.

Voucher Program

Under the Voucher Program, qualifying SMEs may be eligible for a grant of up to \$100,000 to help cover the costs of up to three service providers such as engineers, data analysts or marketing professionals for the purpose of business and technology development. Eligible activities under the Voucher Program include: new product research and development; leading edge design, engineering and prototype development; advanced product testing and refinement; patent development; advanced market assessments; and/or other technology development activities. The Voucher Program focuses on SMEs with technologies in the mid-to-late developmental stages, but may include some in early developmental stages. The program has a continuous open application process.

Carbon Capture and Utilization Program

The Carbon Capture and Utilization Program offers funding to researchers, innovators, SMEs and large corporations who require resources to develop clean technology innovations in carbon capture, utilization and hydrogen generation. The program looks for projects and activities that can reduce environmental impacts, support Alberta’s energy transition, generate jobs in a clean tech economy, and engage industry, researchers and communities to participate in their future energy systems. The Carbon Capture and Utilization Program operates through a combination of open competition and a continuous open application process.

The r&D Associates Program and Commercialization Associates Program

The r&D Associates Program is designed to fund eligible SMEs to employ a research and development professional to advance and accelerate their technology towards commercialization. It is designed to allow SMEs to complete the last steps from research to a marketable product. Eligible companies can receive up to \$67,500 for a one-year term. The program has a continuous open application process.

Similarly, the Commercialization Associates Program is designed to fund eligible SMEs to employ a commercialization professional with the goal of advancing business readiness levels and/or accelerating product commercialization. Eligible companies can receive up to \$105,000 for a one-year term. The program has a continuous open application process.

Product Demonstration Program

The Product Demonstration Program is designed to encourage SMEs with promising technologies to find strategic product demonstration opportunities to create working, at scale demonstrations to trial, pilot or prove their technical and business merit for potential clients. The program is designed to minimize the risk involved in the commercialization process by providing funds and coaching to SMEs. Qualified SMEs may be eligible for up to \$150,000 in funding over a maximum of one year. The program opened for applications in December 2020.

Accelerating Innovations into Care Programs (AICE)

AICE is a suite of programs designed to provide a coordinated effort to support innovators involved in the health technology sector.

AICE-Validate helps eligible innovators and SMEs overcome hurdles associated with digital and data-enabled health technology commercialization during the committing and early validation phases. The program will contribute three-quarters of total eligible project costs up to \$300,000 to support projects for a maximum of two years. Intake to AICE-Validate will reopen on April 1, 2021.

AICE-Market Access supports health-tech SMEs in achieving commercial progression and market access during the scaling and later validation phases, and specifically with conducting clinical or real-world trials anywhere in the world. The program will contribute 50% of eligible project costs up to a maximum of \$300,000 per project over a maximum of two years. The program has a continuous open application process.

ImplementAB.digH

ImplementAB.digH offers funding to Alberta-based healthcare delivery organizations seeking to implement digital health technology into everyday clinical practice and use. The program is designed to assist digital health innovations that are market-ready but face barriers to implementation. ImplementAB.digH will grant up

to \$300,000 to approved projects over a maximum of two years. Intake to ImplementAB.digH will reopen on April 1, 2021.

Government of Alberta

In addition to the various programs provided through Alberta Innovates, the Government of Alberta also has a variety of grants and other funding available to tech companies.

Alberta Export Expansion Program

The Alberta Export Expansion Program provides funding to qualifying SMEs that are undertaking to sell products and services in new international markets. The funding covers the costs of bringing international buyers to Alberta or the costs of international business travel, up to 50% of eligible travel expenses (with a maximum of \$25,000 per year). The program is available to companies operating in a diverse range of industries, including technology, manufacturing, agriculture, energy, environment and culture. The program is currently paused due to COVID-19.

Innovation Employment Grant

The Innovation Employment Grant is currently under development and expected to launch in early 2021 as part of the Alberta Recovery Plan. The grant program is designed to encourage economic growth by supporting qualifying SMEs that invest in research and development in Alberta, regardless of the industry. The grant will cover up to 20% of qualifying expenditures, which are expected to be the same as those that qualify for the federal Scientific Research and Experimental Development Tax Incentive Program (SR&ED), which has been discontinued in Alberta for expenditures after January 1, 2020.

Other Grants and Incentives

In addition to those listed above, the federal government, Alberta municipalities, and other organizations also provide funding opportunities for companies pursuing technological advancements, including those described below.

Sustainable Development Technology Canada (SDTC)

SDTC has provided funding to qualifying SMEs developing clean technology solutions since 2001. To be eligible, the technology being advanced must be pre-commercial and have the potential to demonstrate significant and quantifiable environmental and economic benefits. On average, SDTC funds approximately one-third of eligible project costs (with the remaining costs expected to come from other government programs and/or private investment). SDTC has a continuous open application process. To date, SDTC has invested over \$1.28 billion in over 450 companies.

Opportunities Calgary Investment Fund (OCIF)

The OCIF is a \$100 million program introduced in 2018 to attract investment and drive transformative economic development in the City of Calgary. The OCIF makes non-repayable contributions to qualified organizations who make investments that will ultimately benefit the City of Calgary. The OCIF emphasizes attracting anchor companies (rather than early-stage companies or start-ups) and support initiatives that will act as catalysts for the innovation and tech ecosystems in Calgary. The OCIF has a continuous open application process. To date, the OCIF has supported 14 projects with funding commitments of approximately \$42 million.

Emissions Reduction Alberta (ERA)

ERA is a government funded agency that supports economic growth by investing in the pilot, demonstration and deployment of clean technology solutions that reduce greenhouse gas emissions, lower costs, attract investment and create jobs in Alberta. ERA's current guidelines prioritize investments in technologies with the following areas of focus: (i) cleaner oil & gas; (ii) low emitting electricity systems; (iii) food, fibre and bio-industries; and (iv) low-carbon industrial processes and products. Its investment opportunities are typically identified through a competitive call for proposals process. To date, ERA has funded approximately \$611 million in 185 projects worth over \$4.4 billion.

Additional Information

To learn more about funding and grant opportunities that may be available to your company, please contact [Paul Barbeau](#) and [Jason Haley](#).

by [Paul Barbeau](#) and [Jason Haley](#)

A Cautionary Note

The foregoing provides only an overview and does not constitute legal advice. Readers are cautioned against making any decisions based on this material alone. Rather, specific legal advice should be obtained.

© McMillan LLP 2021