AEROSPACE REGIONAL RECOVERY INITIATIVE (ARRI)

APPLICANT GUIDE

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SECTION A – GENERAL INFORMATION

1. Introduction

This Applicant Guide provides information to help applicants complete and submit an application for financial assistance under the Aerospace Regional Recovery Initiative (ARRI). It is the responsibility of the applicant to complete all required sections of the application form as accurately and as completely as possible and to include all required information as outlined in this guide. Failure to do so may preclude the Atlantic Canada Opportunities Agency (ACOA) from considering the application.   If you have additional questions, please contact the ACOA office nearest you:

- **Head Office**: 1-800-561-7862
- **Nova Scotia**: 1-800-565-1228
- **New Brunswick**: 1-800-561-4030
- **Prince Edward Island**: 1-800-871-2596
- **Newfoundland and Labrador**: 1-800-668-1010
- **Ottawa**: 613-941-7241

2. About the Aerospace Regional Recovery Initiative

a) Duration of the program:

The ARRI will provide $250 million over three fiscal years (2021-2022 to 2023-2024) across Canada to support the recovery of the aerospace sector.

b) The Objectives of the Program:

The objective of the ARRI is to support projects aimed at maintaining and enhancing innovation, productivity, and competitiveness of aerospace SMEs in regions that support larger supply chains, ensuring the sector emerges from the pandemic with the capacity to compete on the global scene.

Specifically, the ARRI will provide support for projects that:

- Help with the greening of operations and products and environmentally sustainable practices;
- Improve productivity; and
- Strengthen commercialization and integration into supply chains.

c) Definition of Aerospace:

The aerospace manufacturing industry's main activities may include but is not limited to the following:
- Aircraft assemblies, subassemblies and parts;
- Aircraft engines and engine parts;
- Aircraft fuselage, wing, tail and similar assemblies;
- Tail and wing assemblies and parts (empennage);
- Flight simulators;
- Developing and producing prototypes for aerospace products;
- Space systems;
- Telecommunication satellites and components;
- Avionics; and
- Helicopters, propellers and parts.

The Aerospace Maintenance Repair and Overhaul (MRO) service industry's main activities may include but is not limited to the following:

- Aircraft heavy maintenance, servicing and repairing;
- Aircraft engines maintenance, servicing and repairing;
- Aircraft components and other systems maintenance, servicing and repairing;
- Aircraft line maintenance (aircraft servicing at airports – excluding sales of fuel revenues);
- Aircraft ferrying services;
- Aircraft inspection services;
- Aircraft testing services; and
- Aircraft upholstery repair.

SECTION B – PROGRAM INFORMATION

1. Who can apply?

Eligible applicants include:

- Incorporated small to medium-sized businesses (SMEs);
- Not-for-profit organizations that provide essential services to SMEs;
- Municipalities;
- Provinces or Territories; and
- Indigenous Organizations.

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2. What type of activities are eligible?

The ARRI will provide support for projects that 1) help with the greening of operations and products and environmentally sustainable practices; 2) improve productivity; and 3) strengthen commercialization and integration into supply chains.

Eligible activities could include the following:

- Adoption and commercialization of clean technologies, products and services, and electrification lowering the carbon footprint while increasing productivity;

- Artificial Intelligence (AI) to help firms better manage inventory and on-time delivery, lower human risks and operating costs, increase production speed and quality of products;

- Adoption of best advanced manufacturing and industry 4.0 practices;

- Strategic commercialization of innovative products and services;

- Targeted support for specific groups in the economy, including women, Indigenous peoples, youth, and visible minorities, to promote a greater level of inclusion by addressing barriers;

- Integration of start-ups and new technologies in key aspects of the value chain (materials, industrial processes, client-experience, digitalization), and scale-up of high-potential firms;

- Technical assistance for the adoption of technologies and efficient management practices best adapted to an SME's specific needs;

- Capital investments up to $10M to bridge the gap with ISED's Strategic Infrastructure Fund (SIF), and support more transformational projects and high profile emerging and expanding SMEs in the pre-SIF phase;

- Strategic application of procurement tools, such as Industrial and Technological Benefits Policy, to leverage support to SMEs and new technologies; and

- Workforce development to help SMEs address labour and skills shortages (e.g., indirect support via NPOs offering business counselling/ support services or directly to SMEs for training, upskilling or hiring activities) in respect of regional and provincial jurisdictions).

3. What are the priorities?

Four priorities have been identified for the ARRI. Priority may be given to projects that meet one or more of the following priorities.

- Transition to the greening of products or operations / environmentally sustainable practices;
- Generating important economic benefits and promoting business development of regions; and improving resilience and international competitiveness of the aerospace sector;
- Improving inclusivity and diversity by addressing barriers faced by certain population groups; or
- Supporting the digital adoption of the aerospace industry and enhanced cybersecurity.

SECTION C – APPLICATION PROCESS

1. Process and Deadline

Applications will be accepted through continuous intake process.

2. Steps to Submit an Application

Step 1: Download the Application specific to the Aerospace Regional Recovery Initiative.

Step 2: Using this Applicant Guide as a reference, fill out the application form, save it, and prepare all supporting documents. (A list of required documents is included in the application)

Step 3: To submit your application online, return to the Application form page and use the "Ready to submit online" button.

Note: To submit a paper application, print it and mail it along with all supporting documents to one of the ACOA regional offices in your province. Keep a copy of the competed and signed application for your records.

3. Completing the Application for Financial Assistance Form

All sections and fields in the application form must be completed, where applicable. Below is a brief summary of each of the sections of the application form. If you require further assistance, please contact ACOA.

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Applicant and Contact Information

This section collects information about the applicant and includes:

1. **Legal name of applicant:** Provide the official legal name of the applicant. The applicant's legal name may be different from its operating name.
   Operating name of applicant, if different: Provide all operating name(s) of the applicant, as applicable.

2. **Mailing address**: The complete address where the headquarters of the applicant is located. Email: Please ensure that the email address provided is valid and active.

3. **Authorized contact**: Provide contact information for the person who is authorized to represent the applicant, and who will be the main point of contact regarding the project. Note the authorized contact cannot be a consultant, as ACOA will only communicate with the applicant. If the contact person is not a signing officer of the applicant organization, further confirmation of that person's authority to represent and bind the organization may be required.

4. **Description of your organization and its mandate:** Please describe what type of mandate most accurately reflects the applicant organization, not the project activities. (E.g. educational, economic development, humanitarian, youth, etc…)

5. **Date of Incorporation**: The date stated on the applicant's Articles of incorporation, letters patent or other constituting document, as applicable.
   Business Number: The business number is a unique 9-digit number assigned by the Canada Revenue Agency.

6. **Type of legal entity**: Select the appropriate type of legal entity.

7. **Official language for correspondence**: Please select in which official language you prefer receiving correspondence regarding the project.

8. **Contact information of bank or financial institution ACOA may contact to inquire about the applicant**: This section must be completed by providing the information for the bank or financial institution used by the applicant organization.

Project Information

This section is used to describe the project and outlines the specific details and information required, which includes:

1. **Project Name**: Provide the official title of the project (i.e. improve cybersecurity of operations).

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2. **Project location**: Specify the location where the project will take place.

3. **Estimated Start Date of Project**: This date is the first day the applicant anticipates incurring expenses for the project.
    Estimated End Date of Project: This date is the last day the applicant anticipates incurring expenses for the project.

4. **Estimated Total Project Costs**: This should include all costs associated with the project.

5. **Amount requested from ACOA**: This should reflect the amount of funding requested from ACOA for this application.

6. **Fiscal year start/end:** Provide the applicant's fiscal year for operating and accounting purposes.

7. **Previous ACOA assistance**: Specify if the applicant has received assistance from ACOA previously on other projects.

8. **Has the applicant made any financial or legal commitments for the project?** Select "Yes" if the applicant has made financial or legal commitments to the project such as contracts, licenses, or costs already incurred.

9. **If yes, provide details**: Specify the commitments or obligations that applicant has made towards the project to date as well as the costs already incurred.

10. **Provide a description of the project and the key activities to be undertaken:** Briefly describe the project's main activities and the anticipated results of the project. Details of the project description should be included in the applicant's project plan and be submitted with the application form. The project plan must describe in detail how the project will contribute to one or more of the following ARRI objectives:

    - help with the greening of operations and products and environmentally sustainable practices;
    - improve productivity; and
    - strengthen commercialization and integration into supply chains.

11. **Describe measurable economic benefits of the project:** Please describe what economic benefits the project will bring to the aerospace sector and how it will promote business development by improving resilience, enhance innovation, productivity, and international competitiveness of aerospace sector.

12. **Total number of current jobs**: Calculate current number of jobs by way of full time employment (FTE). An FTE can consist of one person at full-time employment or more than one person at part-time employment, such as the total working hours of those part-time

employees pooled together is equivalent to the hours of one person working full time. Generally, full-time positions will involve between 35-40 hours in a regular work week. Do not include FTEs who are employed by suppliers or contracted services. In the case of seasonal or part-time employment, the number of current jobs reported here must be converted to reflect full-time equivalent, which means 1600 hours or 40 weeks of work per year.

13. **Total number of jobs to be created at the end date of project:** A job created refers to a job that did not exist within the applicant organization prior to the project, but that was created as a direct result of the project activities. An FTE can consist of one person at full-time employment, or more than one person at part-time employment, such that the total working hours of those part-time employees pooled together is equivalent to the hours of one person working full-time. Generally, full-time positions will involve between 35-40 hours in a regular workweek. Do not include FTEs who are employed by suppliers or contracted services. In the case of seasonal or part-time employment, the number of jobs reported here must be converted to reflect full-time equivalent, which means 1600 hours or 40 weeks of work per year.

14. **Total number of jobs maintained at the end of project:** A job maintained refers to a job that existed within the applicant organization prior to the project, but that would not continue, or would likely be lost if the project is not funded. An FTE can consist of one person at full-time employment, or more than one person at part-time employment, such that the total working hours of those part-time employees pooled together is equivalent to the hours of one person working full-time. Generally, full-time positions will involve between 35-40 hours in a regular work-week. Do not include FTEs who are employed by suppliers or contracted services. Jobs maintained must be a direct result of the project activities. In the case of seasonal or part-time employment, the number of jobs reported here must be converted to reflect full-time equivalent, which means 1600 hours or 40 weeks of work per year.

Ownership

This section is reserved for businesses and partnerships. Other applicants are not required to complete this section.

1. **Provide information about the principal owners of the applicant:** Indicate in the table the given names and surnames of all owners of the applicant (e.g. shareholders, partners, etc.), as well as the percentage of their share in the business and the role or position they actively occupy in the business, as applicable.

2. **Provide names of any parent company, subsidiaries and any affiliate or related business entities:** Where applicable, provide the legal name of any parent entity of the applicant, subsidiary of the applicant and/or entities that may be deemed affiliated or related to the applicant, as well as the city where their head office is located, and the nature of their relationship with the applicant (i.e. parent, subsidiary, related, etc.).

A parent company is a company that owns the majority of the controlling shares or all of the shares of another company. A subsidiary of the applicant is a company whose controlling or

sole shareholder is the applicant. Affiliates are usually where one company is a minority shareholder of another or when two companies are controlled by the same third party.

Examples of related entities include entities that are each controlled by the same person or entity or group of persons or entities, or that are each controlled by a different person or entity but the two persons or entities are related. There are other possible   combinations of affiliated and related persons controlling corporations that can lead to the entities being affiliated or related.

Required information and documents

The following documents must be included and accompany the application form package for the ARRI, where applicable:

Commercial Applicants

- Provide a copy of the company's incorporation documents and information on ownership (names and percentage of ownership);
- Provide a copy of the applicant's most recent and last two years financial statements (audited or reviewed are preferred);
- Provide your project plan, business plan, marketing plan or research and development plan;
- Supplier Quotes: provide a copy of quotes or estimates received for the project;
- Provide a copy of relevant permits and licenses; and
- Provide any other relevant documents related to the project that may assist with its assessment.

Not-For-Profit and Other Applicants

- Provide a copy of the organization's constituting/incorporating documents and a list of directors/members of the board;
- Provide a copy of the applicant's most recent and last two years financial statements;
- Provide a description of the applicant's mandate, including the management and qualifications of key personnel;
- Provide the applicant's HST rebate information;
- Provide a copy of the applicant's project plan or detailed project description, including milestones, costs, financing and key partnerships established;
- Supplier Quotes: provide a copy of quotes or estimates received for the project;
- Provide a copy of relevant permits and licenses; and
- Provide any other relevant documents related to the project that may assist with its assessment.

Disclosures

This section requires the applicant to disclose information about the project that could have additional considerations.

Consent and Certification

- The consent and certification means that the applicant agrees with and attests to all statements and authorizations contained in this section, and agrees to be bound by them.
- Making a false statement or providing misleading information may be considered fraud and may result in the Minister exercising any remedy available to him/her at law and potentially other consequences.
- You must review each statement in this section and sign the Certification.
- By signing and submitting the Application for Financial Assistance, the applicant also acknowledges that the information contained therein is subject the *Access to Information Act* and the *Privacy Act*.

SECTION D - THE AEROSPACE REGIONAL RECOVERY INITIATIVE ANNEX

A. Additional Project Information

Four priorities have been identified for the ARRI. Please specify if the project falls within one (or more) of the four priorities. Priority may be given to projects that meet one or more of these priorities.

1. GREENING OPERATIONS OR PRODUCTS/ENVIRONMENTALLY SUSTAINABLE PRACTICES*:*

Please select "Yes" if the project activities involve the greening of operations or products, or the adoption of environmentally sustainable practices. The applicant's project plan must clearly describe how, and include figures or metrics to quantify the impact (i.e. reducing greenhouse gas emissions, waste reduction, dollar value of clean technology, products or services commercialized etc.), as applicable.

Green projects support a clean growth economy and decrease greenhouse gas emissions. This could include, for example, projects with benefits related to renewable energy, the adoption of practices or technology to reduce your carbon footprint or waste, the commercialization of clean technologies, products, or services, light weighting/advanced materials, supply chain localization, and other.

These projects are energy efficient (e.g., encouraging new build to net zero standards), lower carbon (e.g., electrification), more resilient (e.g., more resistance to extreme climate events like

floods), and higher performing (i.e., better results with same or fewer resources resulting in less inputs and/or waste).

2. RESILIENCE AND INTERNATIONAL COMPETITIVENESS OF THE AEROSPACE SECTOR:

Please select "Yes", if the project will contribute to the recovery of the organization and support the future growth of the organization in the aerospace sector.

The applicant's project plan must clearly outline how the organization was impacted by the COVID-19 pandemic and describe how the project will further contribute to recovery and future growth of the organization/the-aerospace sector.

3. DIGITAL ADOPTION OF THE AEROSPACE INDUSTRY AND CYBERSECURITY

Please select "yes", if the project will entail adopting digital solutions.

In the applicant's project plan, please include details of the digital solutions including, including Industry 4.0, advanced manufacturing, artificial intelligence (AI) and/or solutions to enhance cybersecurity. The project plan must clearly outline how these solutions will:

- enhance productivity (e.g. lower operational costs, increase production speed, etc.),
- strengthen commercialization (e.g. improve product quality, increase sales etc.), and/or
- protect against cyber threats.

4. PROJECT SUPPORTING INCLUSIVITY AND DIVERSITY

The Government of Canada is committed to diversity and inclusion so that all Canadians have the opportunity to participate in and contribute to the growth of the economy. This question seeks to understand whether the project will improve the inclusion and diversity of under-represented groups as priority may be given to those projects. The following is a list of under-represented groups:

- Women;
- Indigenous;
- Persons with disabilities;
- Racialized Communities;
- Black Communities ;
- Youth;
- LGBTQ2; and
- Newcomers to Canada and Immigrants.

If the project does entail activities that address barriers faced by these groups, please select "yes". The applicant's project plan must clearly describe how the project will improve and remove barriers for these groups. The project plan must also specify which under-represented group will benefit from the project.

The applicant may also volunteer to provide further information in the section B below, which will be collected and used for statistical purposes.

B. Diversity and Inclusion

The Government of Canada is committed to diversity and inclusion so that all Canadians have the opportunity to participate in and contribute to the growth of the economy.

Unlike the remainder of the form, this section is a self-declaration and is voluntary. The information collected in this section is to be used solely for statistical purposes. If the applicant does not wish to self-declare its status or the status of the project in relation to the under-represented groups identified in this section of the application form, leave either or both fields blank, as applicable.

The notion of "led or majority-led" is defined as an organization that has one or more of the federal inclusive growth groups, with a long-term control or management of the organization or an active role in both strategic and day-to-day decision making.