

Low Carbon and Circular Economy Business Action – Canada

Challenge Call Guidelines & Evaluation Process

A. Context – The Low Carbon Business in Action in Canada project

This Low Carbon Business and Circular Economy Action in Canada (LCBA Canada) aims to promote the role of European Union (EU) companies (in particular, Small and Medium Enterprise - SMEs, Small Mid-Caps and Mature Start-Ups) as key actors to support the EU to achieve its Climate Change and Circular Economy objectives in line with the Paris Agreement and the Green Deal.

The Action will support eligible European companies to access the Canadian Market in low carbon and circular economy related technologies and services at regional scale. It facilitates business collaboration between Canadian Buyers and EU SMEs, Small Mid-Caps, and Mature Start-Ups - through a business-driven approach, which entails:

1. Identification of business opportunities in Canada and potential Canadian Buyers with demand for low carbon and circular economy solutions.
2. Application by potential partners in the EU market who have suitable technologies to respond to unmet Canadian demand for low carbon and circular economy solutions.
3. Provision of Technical Assistance to commercially viable and most bankable projects.
4. Support toward commercialization of the Joint Business Concept (JBC) leading to actual monetary transaction/investment.

B. Joint Business Concepts

The selection of an EU company for a business transaction will lead to the EU party and the Canadian party signing a JBC. The JBC will: (i) set the intention to establish a business partnership within the framework of this *Low Carbon and Circular Economy Business Action in Canada*; and (ii) will set forth the intention to benefit from EU-funded Technical Assistance to successfully convert this Joint Business Concept into a legally binding commercial contract.

The LCBA Canada Project aims to generate at least 42 Joint Business Concepts (JBCs), representing a minimum cumulative value of EUR 42 million who will receive TA. It is envisaged that least 32 of these Joint Business Concepts will become legally binding business contracts.

C. Challenge Description

The LCBA Project uses a "Challenge Pitch" approach to reach out to EU SME Suppliers – an approach which is based on the Canadian Buyer's specific needs (Challenges).

Canadian Buyers with unmet needs in these broad low carbon and circular economy sectors have defined several *Challenges*. A "Challenge" is a brief statement that describes the Canadian Buyers "problem," and is clear on how a "solution" would create value and allow for out-of-the-box applications. EU SMEs, Small Mid-Caps and Mature Start-Ups with solutions to these Challenges are invited to apply online. These companies will be invited to apply to specific *Challenges*, through this Application process on the *LCBA Canada* Project Website.

The first *Challenge Pitch* event will be held on the 13-15 April 2021. Applications to this *Challenge Event* are now open from 25 February 2021 till the closing date of Sunday, 21 March 2021 (5pm CET).

D. Minimum Eligibility Criteria to Apply for First Challenge Wave (April)

Any and all EU SMEs, Small Mid-Caps, and Mature Start-Ups which comply with the following minimum criteria are eligible to apply to any of the proposed Challenges:

1. Geographic Location: This Challenge Application process is open to SMEs and Small Mid-caps that are headquartered within one of the [27 EU Member States](#).
2. Ownership: You possess majority corporate ownership by EU nationals.
3. EU Company Size: Applicant is an SME, Small Mid-Cap, or Mature Start-Up according to the following EU Definitions:
 1. *SMEs*: with a staff headcount from 1-250, with an annual turnover of 10 Mn euros but not exceeding 50 Mn Euros.
 2. *Small Midcap*: with a staff headcount <499, with an annual turnover not exceeding 300 MN Euros.
 3. *Mature Start-Up*: Mature Start-Ups may also apply, provided they do not exceed the criteria laid out for SMEs on size (250 employees) and turnover not exceeding 50Mn EUR.

More information on EU Definitions of eligible company size in the following PDF link: <https://ec.europa.eu/docsroom/documents/42921> (especially pp. 11 & 12).

4. Environmental Solutions: The company offers low-carbon, green technology or circular economy Solutions (technology and/or services).
5. International Business: Companies with proven track record with international business cooperation outside the European Union are highly preferred (companies with no previous international experience that present a relevant, innovative technology with high environmental and commercial potential may be selected. Please clearly demonstrate in your application that you are proposing a value-added innovative technology).

E. Evaluation Process

Interested SMEs, Small Mid-Caps and Mature Start-Ups will be asked to fill out the *Challenge Application Questionnaire* for the specific *Challenge* for which they have a viable and innovative *Solution*.

All Application responses submitted to each *Challenge* are scored based on four (4) pre-set, weighted criteria. These are, in descending order of weight: (i) *Relevance*, (ii) *Commercialization*, (iii) *Sustainability Impact*, and (iv) *Innovation*.

The Evaluation Process consists of the following steps:

1. All applications will go through an initial review to ensure that they have been fully completed. Completed applications move on to step 2.
2. Each application is scored independently by two Scorers. The average of these scores is used to create a maximum *Long-List* of 15 Applicants of top-scoring *Challenge Applications*.
3. Each response is scored on a scale of 1-7 on each of the 4 weighted criterion; 1 is the lowest score & 7 is the highest.
4. The *Long-List* of successful Applicant responses will be shared with the Canadian Buyer, who will decide with the LCBA Canada Project Team on a *Shortlist* of 3 to 5 Applicants, involving several viability criteria such as: financial and commercial viability of Applicant firms.

Shortlisted firms will be invited to Prepare the *Challenge Pitch*.

For any additional information or enquiries, please by: email: info@lcbacanada.com; or review our website [FAQs](#)). The deadline for enquiries and completion of Challenge Application is 21 March, 2021.

RELEVANCE

How closely does this Challenge Application address the needs of the Buyer's Challenge? To adequately assess this criterion, please review the specifics of the target Challenge Statement in responding to the Challenge.

COMMERCIALISATION

To what extent can the proposed technology or service solution be readily introduced into the Canadian marketplace, with tailored Technical Assistance (TA) and Buyer and Project support?

ENVIRONMENTAL SUSTAINABILITY IMPACT

What is the estimated environmental sustainability impact of the technology or service solution? How would it be measured?

INNOVATION

Compared to solutions currently available to the Buyer, how differentiated/unique is the proposed Technology or Service Solution?

Each of these criteria have associated questions in the Application Form.

F. Pitch Event

Pitch Webinar: Shortlisted SMEs, Small Mid-Caps and Mature Start-Ups will then be invited to Webinars on *How to Do Business in Canada*; and will receive assistance on preparation of their *Pitches* to the target Canadian Buyer.

Pitch Invite & Awardee Selection: Shortlisted Applicant firms will be invited to make a *Challenge Solution Pitch* to the Canadian Buyer at upcoming Challenge Events (you will be notified of the April Pitch event) where a *Challenge Awardee* will be selected. Following the *Challenge Pitches*, shortlisted SMEs, Small Mid-Caps and Mature Start-Ups will have a chance to conduct offline Q&A sessions directly with the target Buyer.

Technical Assistance: The target Buyer and *Challenge Awardee* will then be engaged and supported by the LCBA Canada Project Team with Technical Assistance ([TA Descriptor](#)) to be formally approved by the European Union.

G. Post-Event Technical Assistance

The *Challenge Awardee together with the Buyer* will be assisted to define the kind of technical assistance needed to move toward a commercial transaction. This support will take the form of Technical Assistance (TA); and will be defined and agreed to through a Buyer-Seller *Joint Business Concept (JBC)*. The successful delivery of Technical Assistance will culminate in a legally binding agreement and a commercial transaction between the Buyer and *Challenge Awardee*.

Timeline for April Pitch Event (Pilot)

1. February 24th: Applications to *Challenges* open.
2. February 25th through March 21st. Q&As from SMEs and midcaps on the Call process (you may either email: info@lcbacanada.com; or review our website [FAQs](#)).
3. March 4th: *LCBA Canada Project Launch Webinar (Pilot)*; and opportunity to enquire about *Challenge Call for April Pitch Event*.
4. March 21st. Applications to *Challenges* close.
5. March 22nd: Long list of Applicants shared with Buyer.
6. March 29th: Shortlist of Applicants selected by Buyer and LCBA Canada Project to make *Pitch* at April Event.
7. March 31st: Shortlisted companies informed of selection.
8. April 1-9th: One-to-one *How to Pitch* Sessions held with shortlisted Applicants.
9. April 7-8th: Webinars on *How to Do Business in Canada* delivered to shortlisted Applicants.
10. April 13-15th: *LCBA Canada Challenge Pitch Event* and selection of *Challenge Awardee*.
11. Joint Business Concepts (JBC) between Buyer & Seller are discussed and technical assistance needs are defined.

Please [register](#) on our website to receive additional information and notifications on future events

