Ontario Shipbuilding Grant Program

2026 Program Guideline

Ministry of Transportation

2026

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Potential applicants are advised to read this Guideline in its entirety to understand the full details and requirements of the Ontario Shipbuilding Grant Program 2026 (hereafter referred to as the 'OSGP') before applying.

To apply to the OSGP, an account must be set up on Transfer Payment Ontario (TPON), the Province of Ontario's online application system for grant funding.

The OSGP is accepting only one application per applicant.

1. Overview

1.1 Purpose

This Guideline provides an overview of the Ministry of Transportation's Ontario Shipbuilding Grant Program (OSGP) including, but not limited to, eligibility, application requirements and funding parameters. The information included in this Guideline is also intended to assist potential applicants with submitting an application to the OSGP.

Organizations interested in applying to the OSGP should **review the Guideline in its entirety to ensure that all requirements are understood**. This Guideline applies to the 2026 OSGP application intake period and may be updated or modified in subsequent years.

Following the Ministry selection process, successful OSGP applicants will be required to enter into a transfer payment agreement with the Ministry. In the event of any conflict or inconsistency between this Guideline and any terms or conditions in an OSGP Transfer Payment Agreement (the "**TPA**"), the TPA shall prevail.

Please note that capitalized words throughout this Guideline are defined in section 10.

Contact Us

For questions regarding the OSGP, contact the Ontario Marine Partnerships and Development Office at marine@ontario.ca.

Business advisory services for Ontario small and medium-sized businesses are available. To be connected with a local Senior Business Advisor for advice on developing and strengthening your application to the OSGP, please contact:

Southern Ontario Region:

Central Region (Greater Toronto Area, Simcoe County, and Muskoka Region)

- centralregionbas@ontario.ca

Eastern Region (All counties east of Durham Region)

- easternregionbas@ontario.ca

Western Region (All counties west of Hamilton Region including Niagara Region)

- westernregionbas@ontario.ca

All Southern Ontario Regions:

- Tel: 416-314-8880
- Toll-free: 1-800-361-3223
- TTY: 416-325-3408
- Toll-free TTY: 1-800-268-7095

Northern Ontario Region:

- Contact a northern development advisor.
- Toll-free: 1-866-711-8304

Disclaimer

This is not a legal document. This Guideline is intended as a resource for information and assistance only and shall not be used or construed as legal advice. This Guideline does not replace or modify any legislation, regulations, municipal by-laws, or contractual agreements, and is only intended to provide general information about the OSGP. This Guideline is not intended to provide interpretations of the law or identify laws that may be applicable.

Nothing in this Guideline shall be construed as a contractual offer by the Ministry. No contractual relationship exists between the Ministry and an applicant by virtue of this Guideline and, without any limitation upon the foregoing, the Ministry explicitly rejects all contractual obligations arising out of and in respect of this Guideline and the OSGP.

The Ministry reserves the right to amend this Guideline and any term, condition, or otherwise requirement contained herein, at any time throughout the course of the OSGP in its sole and absolute discretion.

The OSGP is a discretionary program with limited funding approved through a competitive process. Meeting the OSGP's eligibility criteria or submitting a high-scoring application does not guarantee that an application will be approved for funding. There is no guarantee of funding, and the Ministry reserves the right to make final funding decisions. The Ministry also reserves the right to adjust the amount of funding a Recipient may receive, which may differ from the funding requested.

The Ministry may terminate the OSGP at any time without liability, penalty, or costs, including, after the publication of this Guideline and, in the case where the Ministry has entered into a legally binding TPA with any successful applicant, in accordance with such termination entitlements contained therein.

1.2 Context

The marine sector is a key and growing segment of Ontario’s economy and continues to be an integral part of the province’s multimodal transportation network.

Ontario’s Shipbuilding industry and its supply chain support the movement of people and goods across the province, while promoting safety and security. Enhancing the competitiveness of Ontario’s Shipbuilding industry and its supply chain is key to unlocking the untapped potential of Ontario’s marine sector and fostering economic development throughout the province. Ensuring the proper infrastructure is in place and workers are trained to support Ontario’s Shipbuilding industry is a critical first step toward unlocking the sector’s full potential.

As part of Ontario’s plan to strengthen the marine sector, as outlined in *The Future of the Great Lakes Economy: Ontario’s Marine Transportation Strategy,* the OSGP is intended to provide Ontario’s shipbuilding industry and its supply chain with support to improve competitiveness, modernize operations and position them for new business opportunities and growth.

1.3 Program Overview

The OSGP is a time-limited, application-based funding program aimed at enhancing the growth and competitiveness of Ontario’s Shipbuilding industry and its supply chain.

The OSGP will provide support to Ontario shipbuilders and their supply chain through non-repayable grants towards infrastructure, machinery/equipment and workforce training initiatives in Ontario that support the industry by:

- Enhancing operational efficiency, productivity and/or economic competitiveness,
- Unlocking business growth or new business opportunities,
- Enhancing long-term manufacturing or organizational capacity, and/or
- Supporting defence innovation and supply chain resilience to strengthen the long-term success of Ontario’s defence sector.

The OSGP is managed by the Ministry of Transportation, with funding awarded through a competitive process.

For the purposes of the OSGP, *Shipbuilding* refers to the construction, refit, retrofit, repair, and/or maintenance of marine vessels for commercial, research, passenger transportation or other special purpose uses (e.g., search and rescue, national defence). Please note that businesses involved in, or projects related to, watercraft for tourism or for personal or private recreational use (e.g., pleasure craft such as jet skis or recreational boats), are excluded.

Shipbuilding Supply Chain refers to companies that manufacture/provide components, technologies, systems, and specialized services that directly support “Shipbuilding” as defined above. The supply chain must be functionally and specifically linked to shipbuilding processes and vessel life cycle needs.

Please note that the OSGP will fund successful projects for up to a maximum of three fiscal years with each project eligible for up to $7 million in OSGP funding; however, the Ministry may exercise discretion to adjust these parameters where the nature, scope, or strategic importance of a project warrants additional flexibility, and depending on the number and types of project proposals received during the application intake period.

2. Program Parameters

2.1 Applicant Eligibility

To be eligible to apply to the OSGP, applicants must:

1. Be an incorporated, for-profit business legally established under the laws of Canada or the Province of Ontario, or an Indigenous Business;
2. Be subject to the requirements outlined in section 2.1.1 of this Guideline;
3. Be located and operating within Ontario;

4. Have the financial capacity to deliver the project for which funding is being sought, demonstrated through applicant confirmation of available funding prior to TPA execution in a manner satisfactory to the Ministry; and
5. Not be in the process of or currently preparing the business for closure, dissolution, bankruptcy, or sale.

In addition to meeting the criteria outlined above, eligible applicants are expected to:

- Familiarize themselves with the parameters set out in this Guideline.
- Contact their local Senior Business Advisor and consult with them on their proposed project. If you are unable to find a local Senior Business Advisor, please email marine@ontario.ca.

As part of the application process, applicants will be required to submit supporting documentation to assist the Ministry with verifying eligibility. Please see section 3.2 for information on the required supporting documentation.

2.1.1 Principal Business Eligibility Requirements

Regarding the OSGP's eligibility requirements on Principal Business, at least one-third (1/3) of the applicant's annual business revenue, as demonstrated in at least one (1) of the last three (3) fiscal years, must be attributable to either:

- Shipbuilding: Construction, refitting, retrofitting, repairing and/or maintenance of marine vessels for commercial, research, passenger transportation or other special purpose uses (e.g., search and rescue, national defence), or
- Shipbuilding Supply Chain: Manufacturing/providing components, technologies, systems, and specialized services that directly support "Shipbuilding" as defined above. These activities must be functionally and specifically linked to shipbuilding processes and vessel life cycle needs.

When an applicant engages in more than one business, the Principal Business will be determined by an examination of facts by the Ministry related to the organization's various lines of business.

Please note that applicants whose Principal Business is the construction, refitting, retrofitting, repairing and/or maintenance of watercraft for tourism or for personal or private recreational use (e.g., pleasure craft such as jet skis or recreational boats), or whose Principal Business relates to the supply chain for these activities, are not eligible to apply to the OSGP.

2.1.2 Project Partners

Eligible applicants are allowed to partner with organizations who, on their own, may not be eligible to apply directly to the OSGP (e.g., educational institutes, industry associations, etc.) to support the implementation and feasibility of their project.

When a consortium of parties partner on a project, the party who meets the eligibility criteria set out in section 2.1 will be considered the Lead Applicant.

Project Partners are entities that collaborate with the Lead Applicant to achieve the goals of the project by contributing funding and/or providing expertise, resources, and services necessary for the successful implementation of the project. Please note that third-party subcontractors hired by the Lead Applicant to perform work for the project **are not** considered Project Partners.

2.1.3 Lead Applicant and Project Partner Obligations and Responsibilities

Only the Lead Applicant can submit an application to the OSGP and there can only be one Lead Applicant per application. As part of the application process, the Lead Applicant will be required to provide a letter of support from all Project Partners. Please refer to section 3.2 for additional information regarding requirements for the letter of support.

The Lead Applicant will be the primary contact for the Ministry on all matters related to the submitted application. If the application is selected, the Lead Applicant will become the Recipient, will execute the TPA with the Ministry, and will become accountable for managing and executing the development and delivery of the project, managing the funds provided by the Ministry, and satisfying the performance and reporting obligations established by the Ministry.

The Lead Applicant assumes all legal and financial responsibility over the project as the signatory to the TPA. The Lead Applicant will be obligated to adhere to all terms and conditions of the TPA including, but not limited to, asset retention requirements, indemnity and insurance requirements, and reporting requirements.

Additionally, please note that the Ministry may reach out to local municipalities to confirm viability and/or support for the proposed project.

2.2 Project Eligibility

Eligible projects must:

1. Align with a minimum of one of the following objectives:
    - Enhance operational efficiency, productivity or economic competitiveness within Ontario's Shipbuilding industry.
    - Unlock business growth or new business opportunities for Ontario's shipbuilders.
    - Enhance long-term manufacturing or organizational capacity to support the capacity of Ontario's Shipbuilding industry.
    - Support defence innovation and supply chain resilience to strengthen the long-term success of Ontario's defence sector.
2. Be undertaken in Ontario.
3. Be completed within three fiscal years.
4. Be initiatives that have not previously received OSGP funding. For multi-phase initiatives, subsequent phases may be considered eligible if the proposed phase is clearly defined, constitutes a distinct component of the broader initiative, and has no overlap with any activities that have previously received OSGP funding. Note: the Ministry may prioritize applicants that have not previously received OSGP funding.

2.3 Eligible Expenditures

All project expenditures eligible for reimbursement under the OSGP must be direct costs incurred by a successful applicant related to and necessary for the successful completion of the approved project. Eligible project costs are cash outlays, net of all applicable harmonized sales tax, which must be documented through invoices, receipts or Recipient records acceptable to Ontario.

The following is an exhaustive list of Eligible Expenditures under the OSGP:

1. **Infrastructure:**
   a. Costs associated with the purchase, construction, and installation of new shipyard infrastructure attributable to the project.
   b. Costs associated with the purchase, construction, and installation related to new facility modifications or upgrades associated with the project.

2. **Machinery and Equipment:**
   a. Costs associated with purchasing and installing new or refurbished machinery and equipment associated with the project.
   b. Costs associated with purchasing and installing new digital equipment, software and licensing, and other technology to improve productivity and efficiency.

3. **Workforce Training and Upskilling:**
   a. Enrollment costs for employees for in-classroom training or upskilling provided by a recognized, authorized, registered and/or licensed educational institution.
      - The Ministry may exercise case-by-case flexibility where the required training is not offered through Canadian Information Centre for International Credentials (CICIC)-recognized institutions. In these cases, applicants must provide a robust rationale demonstrating that the training is directly necessary for the project and is delivered by an industry-recognized training provider.

b. Costs to provide on-site employer-led training or upskilling programs delivered in partnership with a recognized, authorized, registered and/or licensed educational institution.
    - Note: costs associated with training delivered for internal employees are not eligible for reimbursement.

c. Costs to develop training materials and resources.

d. Costs to purchase new equipment to facilitate employee training or upskilling.

4. **Professional and Technical Services:**
    a. Specialized third-party expertise, consulting and professional services associated with the design and planning of the project (e.g., engineering services).
    b. Costs for municipal permits, inspections and other fees directly attributable to the project.
    c. One-time labour costs directly related to the project for internal employees to set up or install equipment, technology, or systems for the project (capped at 5% of total Eligible Expenditures for the project). As noted below, employee/executive salaries and benefits, including one-time salary/benefits costs associated with the project, remain ineligible.

2.4 Ineligible Expenditures

Costs not identified in section 2.3 are considered ineligible expenditures and will not be eligible for reimbursement under the OSGP. Examples of ineligible expenditures include, but are not limited to:

- Costs that have been or will be funded or reimbursed by one or more of any third party, ministry, agency, or organization of the Government of Ontario, including costs that have already been funded or reimbursed by the OSGP under previous intakes
- Legal or audit fees

- Costs related to equipment, technology, or infrastructure that forms part of, or is integrated into, final products intended for commercial sale or lease
- Purchase costs of land or buildings
- Lease or rental costs for buildings/facilities
- Costs associated with general facility maintenance services (e.g., landscaping, parking lots)
- Fees and costs attributable to ongoing shipyard operations (e.g., hydro)
- Food and beverages
- Employee/executive salaries and benefits, including one time salary/benefits costs associated with the project
- Project administration costs related to managing and reporting on project funding
- Insurance costs and premiums
- Costs for annual general meetings, fundraising activities, tournaments, conferences, receptions, parties, festivals, or religious activities
- Travel and airfare costs
- Debt service costs, including interest charges on debts related to financing the project
- Federal or provincial income taxes
- Costs associated with training for employees, including company owners and/or management, not directly related to the project
- Costs associated with developing an application to the OSGP
- Harmonized Sales Tax (HST)

The list of ineligible expenditures outlined above is for illustrative purposes and should not be considered an exhaustive list. Eligible applicants can contact the Ministry using the contact information outlined in section 1.1 to seek clarification regarding an organization’s eligibility to apply to the OSGP and Eligible Expenditures.

2.5 Funding Parameters

The OSGP will reimburse successful applicants up to a maximum of fifty percent (50%) of total Eligible Expenditures.

Please note:

- The Ministry will only reimburse Eligible Expenditures that have been incurred and paid for by a successful applicant during the Eligible Expenditure Period and which meet all other terms and conditions within the TPA.
- The Ministry reserves the right to adjust the amount of funding a successful applicant may receive, which may differ from the funding requested.

Funding Recipients must contribute a minimum of twenty-five percent (25%) of their own funding to the total Eligible Expenditures for the project. This contribution is mandatory and must be reflected in the application form.

Percentage of Funding	Funding Source	Requirement
50%	OSGP	
25%	Recipient	Mandatory
25%	Other Sources	

2.6 Funding from Other Sources

OSGP funding can be “stacked” with funding from other sources for eligible project costs not covered by the OSGP, within the following parameters:

- Total funding from all provincial sources cannot exceed fifty percent (50%) of the total Eligible Expenditures for the project.
- Applicants meet the minimum twenty-five percent (25%) cost sharing requirement outlined in section 2.5 above.

While stacking of funds is allowed under the OSGP, it may be prohibited under other government programs. When seeking funding from other sources of funding, it is the responsibility of applicants to qualify for each funding program independently and adhere to each respective program’s rules, which may include rules regarding stacking of funds.

As part of the application process, applicants will be required to disclose any additional funding that they have sought or intend to seek. Recipients will be required to ensure that there is no overlap, duplication or double-dipping of any of the Eligible Expenditures claimed under the OSGP with those of other government programs. In addition, Recipients will be required to disclose any new sources of funding throughout the life cycle of the approved project. Failure to meet any of the requirements above could result in the Ministry deeming an application ineligible and a reduction or recoupment of provincial funds.

3. Application Process

3.1 Transfer Payment Ontario

Applications must be submitted through Transfer Payment Ontario (TPON). TPON is the Province of Ontario’s online application system for grant funding. Applicants must create a My Ontario Account with TPON to access the application form. Once an application has been started, it may be saved or downloaded at any point and returned to later.

Please visit Transfer Payment Ontario for information on how to set up an account.

If you need assistance with TPON, contact the TPON Client Care team from Monday to Friday 8:30 a.m. to 5:00 p.m. except for government and statutory holidays, at:

By Email: TPONCC@ontario.ca

By Phone:

- Toll-free: 1-855-216-3090
- TTY/Teletypewriter: 416-325-3408
- Toll-free TTY: 1-800-268-7095

For 24/7 assistance:

- Ask GOBot
- Refer to the resources in the “Get help” section.

Please note that TPON requires Adobe Acrobat Reader to fill out the PDF application form.

3.2 Required Supporting Documentation

As part of the application process, applicants will be required to submit the following supporting documentation through TPON:

- Financial statements from each of the previous three (3) fiscal years. Financial statements must either be **audited financial statements** in accordance with International and Canadian Audit Standards (IAS/CAS) (preferred) or **review engagement**. **Companies cannot submit internally prepared financial documents.** Financial statements must meet either International Financial Reporting Standards (IFRS) or Accounting Standards for Private Enterprises (ASPE) and must comprise of a balance sheet, income statement, and cashflow statement.

- A copy of articles of incorporation and/or letters patent.

- Tax Compliance Verification (TCV) Certificate. Learn how to generate a TCV number and access your Certificate, here: Check your tax compliance status | ontario.ca

- Where the Lead Applicant is working with Project Partners, a letter of support is required from each Project Partner demonstrating the Project Partner’s endorsement of, and commitment to supporting, the project. The letter of support must include brief information on the Project Partner’s role in the project (including any contribution of funding), include a statement of support for the project, and should be signed and dated by a senior management official with signing authority in the organization.

Please note that the supporting documentation outlined above will be required at the time of application submission in order to submit a completed application.

3.3 Application Requirements

Through the OSGP application form, the Ministry will collect project information from applicants which will be used to inform the Ministry's evaluation and selection of applications.

The Ministry, at its discretion, may host virtual information sessions for potential applicants during the application period to address questions or provide clarification/updates.

The following sub-sections are intended to provide guidance to potential applicants on the type of information that will be required as part of the OSGP application form.

At the discretion of the Ministry, in addition to the herein identified information applicants must submit through the application process, applicants may be required to provide additional information related to their application. Failure to comply with any such requests for additional information from the applicant may constitute disqualification from further consideration under the OSGP.

3.3.1 Project Information

Through the application form, applicants must provide information related to the project which will include a detailed description, project scope and activities, project objectives, and expected outcomes.

Information on Project Partners, as applicable, must be disclosed by applicants. Please note that third-party subcontractors hired to perform work for the project are not considered Project Partners.

3.3.2 Project Work Plan

Through the application form, applicants will be required to provide a detailed work plan for their respective project, including key information related to the project's stages, key milestones, and timelines, as applicable. Specifically, applicants must provide the following information for each project milestone within the work plan:

- Milestone: The name or title of the milestone. Note that a project milestone is a key deliverable or checkpoint in a project that helps track progress of the project's completion. Examples include, but are not limited to, project planning, design, construction, installation, and project completion.
- Description: Additional details about the milestone.
- Start Date: The date the milestone is expected to begin.
- End Date: The date the milestone is expected to be complete.

Should a project be selected for funding, please note that milestones submitted as part of the application will form the basis of the payment schedule in the TPA.

3.3.3 Risks and Mitigation

Through the application form, applicants must provide information on potential risks associated with the project and realistic mitigation strategies to address these potential risks. Specifically, applicants must provide the following information for each identified risk:

- Risk Name/Type: Identify the risk type that the project risk best aligns with.
- Risk Description: A brief explanation of the risk.
- Level of Risk Impact: The level of impact (low/medium/high) the risk will have on the achievement of the project's results. Definitions of each level of risk are outlined in the table directly below.

- Mitigation Measure: Strategies that will be used to reduce/mitigate the impact of the risk.

Level of Risk Impact	Definition
High	Should the risk occur, it will have a major impact on achieving the project’s desired results.
Medium	Should the risk occur, it will have limited impact on achieving the project’s desired results.
Low	Should the risk occur, it will have a negligible/inconsequential impact on achieving the project’s desired results.

3.3.4 Performance Measures

Through the application form, applicants are required to respond to performance measures provided by the Ministry. The performance measures are intended to quantitatively demonstrate the intended outcomes of the project and the impact of OSGP funding. Applicants are encouraged to complete these sections to the best of their ability; for any questions or clarification, please contact the Ministry or your local Senior Business Advisor.

The following table outlines each of the performance measures included in the application form. Applicants should refer to this information when completing their submission.

Performance Measure Name	Unit of Measure	Description of Measure	Baseline
1. Job creation during project build	Number	This measure captures the number of full-time equivalent (FTE) jobs created during the project	Not applicable

Performance Measure Name	Unit of Measure	Description of Measure	Baseline
		build or implementation phase when funding is being utilized. Jobs may include direct employment generated through construction, installation, commissioning, or other project delivery activities. This measure applies only to time-limited positions associated with the build phase and explicitly excludes any ongoing or permanent jobs created after project completion. The measure reflects positions attributable to the funded project and is based on reported employment during the build period, such as full-time, part-time, or contract roles, using a consistent counting methodology defined by the applicant.	
2. Creation of new line of	Number	This measure captures the number of distinct	An estimate of current

Performance Measure Name	Unit of Measure	Description of Measure	Baseline
products and/or services		product lines or service offerings that are newly introduced or substantially enhanced as a direct result of the completed project. It reflects expansion or diversification of the organization's business activities enabled by the funded investment. To qualify, the product and/or service must meet one of the following: • New offering: Not present in the organization's pre-project portfolio and represents entry into a new product category, service type, or revenue stream; or • Significantly enhanced offering: An existing product or service that demonstrates a step-change	line of products or services your organization provides to its clients.

Performance Measure Name	Unit of Measure	Description of Measure	Baseline
		improvement, such as: • Introduction of fundamentally new functionalities or capabilities; • Adoption of a new delivery model or production process that materially changes how the offering is delivered or experienced; or • A material increase in value proposition or revenue potential (e.g., enables new pricing structures, materially higher margins, or a clearly	

Performance Measure Name	Unit of Measure	Description of Measure	Baseline
		differentiated offering). The measure is based on post-implementation outcomes and includes only offerings that are commercially available or operational and constitute a net addition to the organization’s pre-project portfolio. The following do not qualify: • Minor modifications, routine upgrades, or cosmetic changes; • Incremental feature additions that do not alter core functionality or market reach; • One-time, pilot, or temporary offerings tied to the project build or transition phase; • Re-packaging, rebranding, or	

Performance Measure Name	Unit of Measure	Description of Measure	Baseline
		bundling of existing offerings without substantive change.	
3. Efficiency improvement	Percentage	This measure captures the percentage improvement achieved as a result of the funded project in one or more efficiency dimensions—such as operating costs, labour productivity, or energy use—with a clear requirement that these improvements translate into a direct economic and/or fiscal impact on the applicant's business. The measure is calculated by comparing baseline conditions prior to project implementation with post-implementation performance, expressed as a percentage change. Efficiency improvements may include reductions in unit costs, increases in output per labour hour, or	Pre-project baseline for either cost per unit, labour productivity, or energy use.

Performance Measure Name	Unit of Measure	Description of Measure	Baseline
		decreases in energy consumption per unit of activity, depending on the nature of the project and available data.	
4. Anticipated incremental and cumulative revenue resulting from the project over the five years following project implementation (i.e., after project build completion)	Percentage	This measure captures the average annual value of anticipated incremental revenue generation and/or cost savings attributable to the funded project over the five years following project implementation. It reflects improvements such as increased sales (including anticipated additional sales driven by enhanced capacity, market access, or competitiveness) and cost savings resulting from efficiency gains (e.g., reduced operating costs, improved labour productivity, or lower energy use) enabled by the completed project. The measure is calculated based on	Either total revenue or retained earnings as reported in the most recent financial year.

Performance Measure Name	Unit of Measure	Description of Measure	Baseline
		projected post-implementation financial performance compared to pre-project baseline conditions and is expressed as an annual average over the five-year period.	

For each performance measure, applicants must provide the following information:

- Baseline: The initial set of data collected at the beginning of the project that serves as a reference point for comparison with data collected later on as the project progresses.
- Target: The specific intended objective to be achieved.
- Methodology used to calculate target: A brief description of the approach, key assumptions, data sources, and baseline used to derive the projected target.

Should a project be selected for funding, the performance measures included in an applicant's application, as may be altered by the Ministry upon approval, will be used to track progress toward achieving the outputs and/or outcomes of the project as part of the TPA requirements.

Please be advised that the Ministry reserves the ability to amend or introduce additional performance measures for an approved project prior to entering into the TPA with a Recipient.

3.3.5 Project Budget and Sources of Funding

Through the application form, applicants must provide a budget for their project that includes a detailed breakdown of all Eligible Expenditures. The budget must be in accordance with the OSGP's parameters for eligible/ineligible expenditures, funding limits and funding from other sources.

The budget must be broken down according to the Ontario Government's fiscal year (April 1st to March 31st). Note that projects can only include Eligible Expenditures for up to three fiscal years (36 months), however, depending on the project start and end dates, this period may occur over four calendar years.

Applicants must also disclose all sources of project funding, including funding from Project Partners or funding support from other government funding programs, including municipal, provincial and/or federal programs, in accordance with the requirements identified at section 2.6 of this Guideline.

Additionally, as part of the application, applicants will be required to disclose any programs other than the OSGP to which they have applied and/or intend to apply for funding support.

3.3.6 Project Impact and Benefits

Through the application form, applicants must provide detailed and evidence-based information that clearly demonstrates how their respective project aligns with the objectives of the OSGP, as outlined in section 2.2.

In addition, applicants must explain how they are prioritizing sourcing from Ontario and Canadian suppliers and provide relevant examples.

Applicants must also provide information on any additional benefits or impacts of the project, such as the creation of new jobs in the province and impacts on equity-deserving communities and/or populations (e.g., Indigenous peoples, youth, immigrants).

4. Evaluation Process

4.1 Selection Criteria

Eligible applications will be assessed according to the selection criteria outlined below and prioritized based on the strength of each application.

The Ministry will review applications received through TPON by the application deadline. Incomplete applications, applications received after the deadline and/or applications from ineligible applicants will not be evaluated.

The Ministry has sole authority to decide which eligible projects are funded. Eligible applications will be evaluated against the following criteria:

Application Criteria	Weighting	Description
Project Information	10%	The application provides a clearly defined project scope, including a detailed project description with activities and specific and measurable objectives and outcomes. The application demonstrates the organization’s capacity and experience to design, implement, and/or deliver the proposed project with qualified staff and past examples of similar projects having been successfully completed.

Application Criteria	Weighting	Description
Project Work Plan	10%	The application presents a comprehensive work plan that outlines logically sequenced milestones and activities that are aligned with the project scope and the OSGP's project eligibility requirements. The application includes detailed timelines for all key activities and clearly identifies the organization responsible for each task (where applicable). The plan demonstrates a high level of preparedness, including consideration of resource needs and dependencies for successful execution.
Risks and Mitigation	10%	The application identifies various types of risks (e.g., financial, construction, implementation) that are clearly articulated and relevant to the project's scope. The application also includes mitigation measures linked to each risk that reflect proactive planning and a strong understanding of how to manage the identified risks.
Performance Measures	20%	The application responds to each performance measure listed and provides a detailed description of the methodology used to calculate each target. The application clearly defines the unit of measure, establishes baseline and target values and identifies verifiable data sources for tracking performance.

Application Criteria	Weighting	Description
Project Budget	15%	The project budget provides a clear breakdown of eligible project costs, in alignment with the OSGP's parameters for eligible/ineligible expenditures, funding limits and funding from other sources. Eligible project costs are accurately calculated, relevant, and directly related to the project. The application demonstrates that credible methods were used for budget preparation (e.g., vendor quotes, market research, historical data, internal forecasting) and identifies why the budget represents good value for money.
Project Impact and Benefits	35%	The application clearly demonstrates how the applicant prioritizes sourcing from Ontario and Canadian suppliers, supported by relevant examples and rationale. (5%) The application clearly identifies current operational, manufacturing, or competitiveness challenges within Ontario's shipbuilding sector and shipbuilding supply chain that the project aims to address and provides a compelling rationale for the project's need. (5%) The application clearly demonstrates alignment with one or more of the OSGP objectives, supported by a strong rationale. (10%) The application clearly demonstrates the number of net new full-time equivalent (FTE) jobs to be created in

Application Criteria	Weighting	Description
		Ontario as a direct result of the project, and provides a well-supported explanation of how the estimate was determined, including linkages to expanded or enhanced operational activity. (10%) The application clearly demonstrates how the project will have direct impacts on equity-deserving communities and/or populations (e.g., Indigenous peoples, youth, immigrants), including the nature and extent of the impacts and any supporting examples or commitments (e.g., hiring, partnerships, or community engagement). (5%)

4.2 Notification to Successful Applicants

Successful applicants for OSGP funding will be notified in writing by the Ministry.

As above, successful applicants will be required to enter into a TPA, which will include information and parameters of the funding agreement with the province, including the amount of OSGP funding the applicant has been approved for, any conditions placed upon the funding, as well as the date from which the successful applicant may begin to incur Eligible Expenditures.

Unsuccessful applicants who are not selected by the Ministry for OSGP funding can opt to receive brief feedback from the Ministry on their respective application. Applicants can access this feedback by contacting the Ministry's Ontario Marine Partnerships and Development Office at marine@ontario.ca.

5. Funding Agreements

The TPA will set out the terms and conditions governing the project and the payment of the funds. Until the Ministry has explicitly approved a project, and there is an executed TPA with a successful applicant, there is no commitment or obligation on the part of the Ministry to make a financial contribution to any project.

The TPA will outline the understanding between the Province of Ontario and the Recipient regarding the OSGP project and set out the terms and conditions governing the project and the payment of the funds. Recipients will be required to meet all legal responsibilities contained in the TPA, including maintaining all necessary insurance, in order to receive OSGP funding.

Consistent with section 2.1.3, should an application from a consortium of partners be selected for funding, the Lead Applicant will be the funding Recipient and will be legally accountable to the Ministry for managing and executing the development and delivery of the project, managing the funds provided by the Ministry, and satisfying the performance and reporting obligations established by the Ministry through the TPA.

Recipients will be expected to:

- Be accountable to the Ministry for all funds and report on the performance of the project. This includes being responsible for meeting all the requirements outlined in the TPA.
- Engage and manage relationships with any third-party service providers (if applicable).
- Lead coordination of all Project Partners and activities.
- Maintain records pertaining to the project to support Ministry-funded evaluation of the OSGP.
- Put in effect and maintain for the duration of their funded project, all necessary insurance for the initiative, including Commercial General Liability Insurance to an inclusive limit of not less than five million dollars ($5,000,000) per occurrence, as well as any other applicable insurance relevant to the project, as defined in the TPA. Recipients will be required to provide the Ministry with a copy of their Certificate of Insurance.

6. Claims and Payments

6.1 Claims

To seek reimbursement, Recipients will be required to submit claims to the Ministry in accordance with the requirements and schedule set out in their respective TPA. Please note that the Ministry will only reimburse Recipients for Eligible Expenditures that have been incurred during the Eligible Expenditure Period and in accordance with the TPA. For enhanced clarity, this means that a Recipient must first incur and pay Eligible Expenditures before submitting a claim for reimbursement. The Ministry will reimburse up to fifty percent (50%) of each individual claim submitted.

As part of the claims process, Recipients will be required to submit a quarterly report that includes the following information:

- A breakdown of the Eligible Expenditures being claimed for reimbursement.
- Supporting documentation (e.g., receipts, invoices, etc.) which demonstrate that the Eligible Expenditures being claimed have been incurred and paid.
- Brief description and update of the milestones that have been achieved to which the Eligible Expenditures relate.
- A quarterly forecast that provides details on planned expenses for the next three months (i.e., the next quarter based on a fiscal year of April 1 to March 31).
- A signed attestation from the Lead Applicant certifying that all costs claimed have been incurred and paid and that all information submitted to Ontario has been submitted in good faith.
- If applicable, an update on project risks and mitigation strategies.
- Any additional supporting documentation to support the claim, as requested by the Ministry.

OSGP funding will be provided to Recipients once a claim has been received in a form acceptable to the Ministry.

Claims must be submitted to the Ministry in accordance with the schedule set out in the TPA. Recipients will be required to notify the Ministry at least three (3) weeks in advance of a scheduled claim if the project is not on track to meet milestones, as per the agreed upon conditions in the TPA. Failure to notify the Ministry of delays could result in the holdback of funds, and/or cessation of funding if delays exceed the OSGP's final activities date.

6.2 Payments

OSGP funding will be distributed to Recipients in accordance with the terms and conditions contained within the executed TPAs. Funding will be paid to Recipients in quarterly or semi-annual instalments according to the payment schedule that has been agreed to and set out in the TPA. The payment schedule will be based on a respective project's milestones, in alignment with the project work plan submitted as part of the application form. Each payment will be subject to a funding holdback amount of 10%, which will be distributed to the Recipient following project completion and fulfillment of all obligations under the TPA, including reporting requirements.

The Ministry may adjust the amount of funds it provides to a Recipient based on the Ministry's assessment of information the Recipient provides in its reports and may recover funds if the Recipient breaches any term of the TPA.

7. Reporting Requirements

7.1 Reporting Requirements

Recipients will be required to adhere to the reporting schedule set out in their respective TPA. Failure to do so may result in funds being held back or recovered by the Ministry.

Recipients will be required to report to the Ministry on the progress achieved in carrying out the project and expenditures incurred in relation to their project, including evidence of payment for expenditures relating to the OSGP. This may include, but is not limited to, providing progress updates on a project's budget, milestones, timeline, and performance measures. Recipients must use the provided templates for these reports and comply with the Ministry's report-back requirements and instructions on the frequency of reporting as set out in the TPA.

The Ministry will review each report submitted to ensure that it is completed to the Ministry's satisfaction and may contact the Recipient for any clarifications or further information as needed.

7.2 Final Report

Following a project's completion, Recipients will be required to provide a final report outlining the achievement of the project's objectives and any other final reporting requirements outlined in the TPA.

8. Compliance with Federal and Provincial Laws

Applicants must ensure their projects comply with all applicable municipal by-laws and the provincial and federal law including, without limitation, the *Accessibility for Ontarians with Disabilities Act, 2005*.

8.1 Attestation of Compliance with Labour and Environment Laws, and Tax Compliance Verification

Please be advised that if selected for funding, Recipients may be required to complete an attestation before funds are provided to confirm that (i) they will be in good standing with all applicable Ontario Environmental, Labour, and Tax Laws at the time of entering into a TPA and (ii) that they will take all necessary steps prior to entering into a TPA in order to be in full compliance with those Environmental, Labour, and Tax Laws at the time of entering into the TPA.

For the purposes of this Attestation, “Environmental Laws” means all statutes and associated regulations administered by the Ontario Ministry of the Environment, Conservation and Parks, and “good standing” with environment laws means that the organization has not been convicted by a court within the last year and has no ongoing appeals.

For the purposes of this Attestation, “Labour Laws” means all statutes and associated regulations administered by the Ontario Ministry of Labour, Immigration, Training and Skills Development, and “good standing” in respect of labour laws means that the entity has not been convicted of an offence under the Occupational Health and Safety Act, R.S.O. 1990, c. O.1, the Workplace Safety and Insurance Act, 1997 and the Employment Standards Act, S.O. 2000, c. 41 in a proceeding commenced under Part III of the Provincial Offences Act, R.S.O. 1990, c. P. 33, during the preceding year.

For the purposes of this Attestation, “Tax Laws” means provincial and federal tax laws applicable to the organization. “Good standing” with tax laws means that none of the following circumstances apply, as confirmed by the Ministry of Finance through the tax compliance verification process:

1. The organization is in default of filing a return under a tax statute administered and enforced by the Government of Ontario, or of paying any tax, penalty or interest assessed under any such statute for which payment arrangements have not been made.
2. If the organization has a business number with the Canada Revenue Agency, the organization is in default of filing a return under the Taxation Act, 2007, the Income Tax Act (Canada), Part IX of the Excise Tax Act (Canada) or an Act of another province or territory that imposes a tax on corporations and is administered and

enforced by the Canada Revenue Agency.

9. Confidentiality

The Ministry is subject to the *Freedom of Information and Protection of Privacy Act* (“FIPPA”), a provincial statute which regulates the collection, use and disclosure of personal information and access to information in the custody and control of governmental institutions. Applicants are advised that information collected pursuant to the OSGP from applicants as well as subsequent TPAs entered into by the Ministry and Recipients may be subject to FIPPA and could be made available to the public in accordance with law.

10. Glossary of Defined Terms

“Eligible Expenditures” are project costs eligible for reimbursement under the OSGP, as defined in section 2.3.

“Eligible Expenditure Period” is the period of time defined in the TPA for which a Recipient can incur Eligible Expenditures for their project.

“Guideline” is the set of instructions, parameters and principles included in this document to support the application to, and administration of, the OSGP.

“Indigenous Business” means a business that is 51% or more owned and controlled by an Indigenous person or persons; and, if it has six or more full-time staff, at least one-third of the firm’s employees are Indigenous persons.

“Indigenous Person” means a First Nation, Métis, or Inuit person or persons.

“Lead Applicant” refers to the primary organization responsible for submitting an application to the OSGP when applying as part of a consortium of parties. This entity takes the lead in coordinating the application process, ensuring all necessary information and documentation are provided, and serves as the main point of contact for the Ministry. If selected for funding, the Lead Applicant becomes accountable to the Ministry for the overall management and execution of the project, including satisfying the performance and reporting obligations established by the Ministry. Refer to section 2.1.3 for full information.

“Ministry” means the Ministry of Transportation.

“OSGP” means the Ontario Shipbuilding Grant Program.

“Principal Business” means that more than one-third (1/3) of an organization’s annual business revenue is generated in either Shipbuilding or the Shipbuilding Supply Chain. Applicants must be able to demonstrate this, to the satisfaction of the Ministry, based on financial statements from the last three (3) fiscal years. Where an applicant engages in multiple lines of business, the Principal Business will be determined by the Ministry through an assessment of the organization's activities, revenue sources, and other relevant facts. Refer to section 2.1.1 for full information.

"Project Partners" refers to an entity or organization that directly collaborates with the Lead Applicant to develop, manage and/or implement the project. Refer to section 2.1.2 for full information.

"Recipient" means an applicant the Ministry has selected as successful for funding under the OSGP.

"Shipbuilding" refers to the construction, refit, retrofit, repair, and/or maintenance of marine vessels for commercial, research, passenger transportation or other special purpose uses (e.g., search and rescue, national defence).

"Shipbuilding Supply Chain" refers to companies that manufacture/provide components, technologies, systems, and specialized services that directly support "Shipbuilding" as defined above. These activities must be functionally and specifically linked to shipbuilding processes and vessel life cycle needs.

"Total Project Cost" refers to the total cost for Eligible Expenditures of the project, and constitutes contributions from all funding sources.

"TPA" means Transfer Payment Agreement, a signed document required for the management and oversights of all transfer payment activities, that clearly identifies the rights, responsibilities and obligations for both the Recipient and the accountable Ministry.