



DAIR GREEN FUND

APPLICANTS GUIDE

JULY 2026



DAIR

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Context

Aerospace is a research-intensive and export-focused industry employing thousands of highly qualified people across Canada. A majority of the companies that make up the sector are small- and medium-sized enterprises (SMEs), vital to the success of the aerospace and aerospace-adjacent sectors. Ontario companies are part of the global supply chain for the majority of commercial aircraft worldwide, in addition to key work on defense platforms, and they work closely with colleges and universities to develop, test and ultimately commercialize new products and technologies.

The aerospace industry within Ontario and Canada is a key component to an environmental shift towards a greener and more sustainable future. The discussion and plans put in place today are vital to its long-term success in this regard and to reach the global target of net zero-carbon emissions by 2050. To meet this aggressive goal, the industry will need to advance projects across multiple pillars including Sustainable Aviation Fuels (SAF), advanced materials, new aircraft designs, enhanced operations and manufacturing excellence. DAIR will continue to work with governments and Ontario aerospace stakeholders of all sizes to contribute to this transformation.

The DAIR Green Fund is a program designed to support research, development and commercialization projects led by SMEs across Ontario, helping them develop products and technologies that can contribute to a decrease of the industry's emissions as well as enhance the economic prosperity of the industry.

Building on the success of previous rounds of the program, DAIR will be supporting a new portfolio of projects through another call for proposals, with support from the Government of Ontario. Projects must have a 12 month timeline and DAIR will support 75% of a project's total eligible costs (up to \$75,000 CDN).

About DAIR

Downsview Aerospace Innovation & Research (DAIR) is incorporated federally as a not-for-profit organization, a consortium of aerospace companies and post-secondary institutions.

Headquartered at Downsview Park in Toronto, DAIR is building a nationally connected A&D Innovation Hub where organizations collaborate to develop, validate and

commercialize new technologies, strengthen supply chains and create opportunities for Canadian industry.

DAIR's mission is to catalyze world-class innovation by facilitating collaboration within industry, academia and government to develop transformative technologies and a future-ready workforce. DAIR advances this mission by:

- Enabling access to state-of-the-art equipment and infrastructure to accelerate leading-edge research and technology adoption.
- Creating training solutions for business and technology challenges of today and tomorrow.
- Providing a platform for industry, academia and government to foster collaborative innovation.
- Supporting continuous improvement and innovation in the supply chain.
- Harnessing our collective voice to bring awareness to and promote the industry and innovation ecosystem locally, nationally and globally.

Today, DAIR operates from multiple partner facilities across the Downsview Innovation Hub, including the Bombardier Centre for Aviation and Aerospace at Centennial College, the Toronto Metropolitan University Centre for Advancing Engineering Research & Innovation in Aerospace (AERIAS), and the Landing Gear Innovation Lab, while continuing to expand its physical innovation infrastructure through new facilities currently under development.

DAIR Innovation Network

Companies are not required to be members of the DAIR Innovation Network when applying to the DAIR Green Fund. However, companies selected to participate in a Green Fund cohort will be required to join the DAIR Innovation Network upon execution of the funding agreement with DAIR. Membership is subject to the applicable annual fee and is renewable each year.

The DAIR Innovation Network brings together aerospace and defence companies, post-secondary institutions and ecosystem partners to foster collaboration, accelerate innovation and strengthen Canada's aerospace and defence ecosystem. Through the Network, members gain access to exclusive networking events, workshops, thought leadership

activities, collaborative opportunities, strategic introductions, and connections with industry, academia and government. Members also receive ongoing opportunities to showcase their capabilities, identify potential customers and partners and participate in initiatives that support business growth, innovation and competitiveness.

While the Green Fund provides targeted support for research, development and commercialization projects led by SMEs across Ontario, membership in the Innovation Network extends that value well beyond the life of the program by creating opportunities for long-term collaboration, new business relationships and continued engagement within Ontario's aerospace and defence community. For many SMEs, Innovation Network membership delivers a strong return on investment through the connections, visibility and collaborative opportunities it provides.

Applicants are encouraged to contact DAIR to learn more about the Innovation Network, its membership benefits and the applicable annual membership fee.

General information about the Green Fund Program

The objective of the Green Fund (referred to below as “GF”) is to provide financial support for small- and medium-sized enterprises (SMEs) to help advance their technology readiness level through projects that can ultimately help reduce the environmental footprint of the aerospace sector. The intent is to help projects that will support the industry and its priorities for reducing the environmental impact of aviation.

Each approved and contracted project will need to have a project timeline of 12 months in length and will receive 75% project cost support (up to \$75,000 CDN) from DAIR. Every company should complete their proposed project before the corresponding duration ends.

Following this call for proposals, submitted projects will be evaluated by a review committee. Approved applicants will be required to (1) enter into a contract with DAIR for the funding, (2) become a DAIR Innovation Network member and (3) complete the funded activities and report back to DAIR by the project deadline.

Due to support of the Government of Ontario, approved SMEs under the Green Fund will be required to acknowledge the support received from DAIR and the Government of Ontario for

the project in any communications, including websites, news releases, social media, success stories and announcements. All media and content must have DAIR and Government of Ontario approval before publishing to the public.

Eligibility

To be eligible, the applicant SME must fulfill the following requirements:

- The technology developed during the project must fall into one of these categories:
 - Energy / Propulsion (examples include SAF, electrification, hydrogen).
 - Aircraft configuration and systems (examples include AAM, eVTOL, drones).
 - Operations (examples include assembly, in-flight, airport, manufacturing).
 - Advanced Materials (examples include light-weighting, alloys, composites).
- The applicant must be an established company:
 - Have a minimum of two full-time employees and less than 500 employees.
 - Demonstrate growth potential through the development of new or improved technology-driven products, processes, or services.
 - Applicants that are U.S.-based businesses are not eligible. A U.S.-based business is any business (including a sole proprietorship, partnership, corporation or other business structure) that (i) has its headquarters or principal office located in the United States; and (ii) has fewer than 250 full-time employees in Ontario. If the applicant is a subsidiary of another corporation, criterion (i) is deemed to be met where the subsidiary is controlled by a corporation whose headquarters or principal office is located in the United States.
 - Can demonstrate sufficient funding to support the project to completion.
- The applicant must have a place of business in Ontario.
- The applicant must be in compliance with all federal, provincial, territorial, municipal and other applicable laws, including without limitation, statutes, regulations, by-laws, rules, ordinances and decrees.

Applicants are strongly encouraged to work in collaboration with partner(s)/collaborator(s). Partners and collaborators can be another SME, a large company, a research centre, college, or university. The collaboration may either be a new or an existing one. Partners can be from any geographical location. Each partner/collaborator must contribute to the Green Fund project in-cash and/or in-kind. DAIR can assist applicants in identifying relevant partners if need be.

Supported projects should be at a current technology readiness level of 4 or higher, with a plan to advance towards commercialization. Please refer to appendix A for the interpretation of the various technology readiness levels (TRL).

An SME that doesn't fit all requirements but still would like to propose a project is welcome to contact the DAIR Director of Innovation to discuss possibilities of an application.

Funding

Each project could receive a non-refundable grant to support 75% of total project costs (up to \$75,000 CDN).

Note that:

- The purpose of the program is to fund activities that will advance the development of technologies toward commercialization.
- DAIR reserves the right to limit the number and funding of projects accepted per call.
- The applicants must demonstrate that matching funds are beyond the scope of regular operations.
- Total Ontario government assistance for eligible expenses, including federal, provincial/territorial, and municipal governments, cannot exceed 75% of total eligible cost. Recipients must clearly demonstrate that no expense is charged to two levels of government.
- The non-repayable contribution will be provided to the applicant SME. No funds will be transferred by DAIR to a partner. The applicant SME has the sole responsibility to handle contractual and financial matters with its partner(s).
- The eligibility date (and therefore eligible costs) is defined as the application submission date; however, DAIR cannot be held accountable if the applicant incurs costs, but the project is not selected/approved.

Timeline

Table 1 - Call for Proposal Expected Timeline

Date	Item
July 19th, 2026	Launch of the Call for Proposals
August 20th, 2026	Deadline for submission of completed proposals to DAIR
September 17th, 2026	Notification to applicants regarding the decision of application
End of September, 2026	Deadline for the signature of the Funding Agreement by DAIR and the approved SME
October 1st, 2026	Project initiation
All projects are expected to be completed by October 2027.	

Note that the granting of financial assistance for the project is subject to the signing of a Funding Agreement with DAIR.

Eligible Expenses

The following list includes the eligible expenses for funded projects:

- Salaries.
- Materials, consumables, and supplies.
- Equipment purchases or rental (including software).
- Intellectual property management fees.
- Consultant/contractor fees.
- Knowledge dissemination costs.
- Platform costs.

In-kind expenses may be considered eligible if their value is reasonably assessed and supported by auditable documents. Expenses need to be tied to the project. Expenses already incurring and non-incremental are not eligible. If you wish to submit in-kind expenses, please discuss with the DAIR Director of Innovation.

The program also sets forward a list of expenses that are non-eligible, among which are the following:

- | | | | |
|--|---|--|--|
| <ul style="list-style-type: none"> • Cost of land, building or vehicle purchase. • Costs covered by other provincial government funding sources or fully funded by federal government funding sources. • The cost of preparing the grant application. • Costs not directly associated with meeting project milestones and deliverables. • Ongoing operating expenses. • Refinancing. • Costs of intangible assets such as goodwill, whether capitalized or expensed. • Depreciation or amortization expenses. • Public or private infrastructure. | <ul style="list-style-type: none"> • Downtown revitalization and tourism promotion costs. • Interest on invested capital, bonds, debentures, bank or other loan together with related bond discounts and finance chargers. • Bond discount. • Losses on investments, bad debts and any other debts. • Legal, accounting and consulting fees in connection with financial reorganization, security issues, capital stock issues, obtaining of patents and licenses and prosecution of claims against Ontario. • Federal and provincial income taxes, excess profit taxes or surtaxes and any special expenses incurred in relation to taxes. | <ul style="list-style-type: none"> • Costs, including taxes, for which the recipient has received, will receive, or is eligible to receive, a rebate, credit or refund. • Fines or penalties. • Costs related to litigation. • Non-incremental wages. • Fees for administrators, including payments to any individual, member or officer of the Recipient's Board of Directors. • Donations in the form of goodwill and other intangibles (such as intellectual property, including licenses and patents). • Opportunity costs. • Donations. • Standard discounts. • Interest charges. | <ul style="list-style-type: none"> • Hospitality, entertainment costs and alcoholic beverages. • Costs of individual membership in a professional body (e.g., professional designations). • Lobbyist fees. • Losses on other projects or contracts. • Marketing, business development and production. • Travel and living expenses. • Expenses and depreciation of excess facilities. • Any costs incurred in the U.S. or for U.S. based businesses. • Any costs as determined by the Province from time to time in its' sole discretion. |
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Process to submit a project

To submit a project, applicants are required to complete, sign and submit the DAIR Green Fund Application Form (PDF) that can be downloaded from DAIR’s website at the following link: <https://www.dairhub.com/initiatives/green-fund/>

Once completed, the Application Form with any required attachments must be submitted via email to the DAIR Director of Innovation at steven.cargnello@dairhub.com by August 20th, 2026, before 11:59 PM (Eastern Daylight Time). Any application submitted after this deadline or that is incomplete will not be considered for evaluation.

Proposal evaluation process

The criteria presented below will be used by the Review Committee to evaluate the proposals:
Table 2 - Evaluation Criteria

Criteria	Dimensions
Environmental benefits (40%)	Relevance and impact of the project to green/sustainability of the aerospace and/or aviation sectors (15%)
	Feasibility of Technology Readiness Level progression (10%)
	Ability to assess and measure the impact of the project on the environment with baseline vs completion metric(s) (15%)
Economic impact in Southern Ontario (30%)	The commercial potential of the product or technology and plan to achieve commercialization (20%)
	Scientific, technical, and industrial benefits for the Ontario (and Canadian) aerospace sector (5%)
	Socio-economic benefits of the project (5%)
Collaboration (20%)	Existing or new partnership(s) with academia/SMEs/industry (20%)
Project planning and management (10%)	Consistency of the work plan and methodology within the project duration (5%)
	Clear definition of the work breakdown structure of the project (5%)

- Note that the DAIR team will prioritize projects that provide:
- A partnership with academia and/or industry.
 - A clear pathway to commercialization / advancement in technology readiness.
 - A quantitative assessment of potential environmental impact of the technology.

Projects will be evaluated by a Review Committee of experts from the Canada/Ontario aerospace industry, academia and related fields. The Review Committee will be composed of at least five (5) industry and academic experts that will provide recommendations to DAIR’s Board of Directors regarding project selection. Each member of the Review Committee will sign a non-disclosure agreement prior to project evaluation.

Reporting

For DAIR to be able to assess the advancement of the project and follow up on project milestones and metrics, the applicant agrees to provide the DAIR Director of Innovation with:

- Regular check-ins by phone, videoconference, or email whereby the DAIR Director of Innovation will help/advise the SME with regards to any potential issues or constraints.
- A mid-term project report. The exact date will be agreed upon between the applicant and the DAIR Director of Innovation.
- A final report to be submitted no later than one month after the closing of the project’s submitted deadline.

Project funding scenario examples

Project funding can be applied over a maximum project length of 12 months. It can also, as applicable, be combined with other funding sources. Therefore, there are different funding scenarios that may apply. Three (3) scenarios are presented below for illustrative purposes only.

Table 3 - Scenario 1 (Less than \$100,000 total project costs)

Scenario 1: \$80K project Project starts in October 2026				
	Initial disbursement (40%)	Mid-disbursement (40%)	Final disbursement (20%)	Total
DAIR financial support	\$24,000	\$24,000	\$12,000	\$60,000
Matching funds from Applicant & Partners	\$8,000	\$8,000	\$4,000	\$20,000
Total	\$32,000	\$32,000	\$16,000	\$80,000

Table 4 - Scenario 2 (\$100,000 total project costs)

Scenario 2: \$100K project Project starts in October 2026				
	Initial disbursement (40%)	Mid-disbursement (40%)	Final disbursement (20%)	Total
DAIR financial support	\$30,000	\$30,000	\$15,000	\$75,000
Matching funds from Applicant & Partners	\$10,000	\$10,000	\$5,000	\$25,000
Total	\$40,000	\$40,000	\$20,000	\$100,000

Table 5 - Scenario 3 (More than \$100,000 total project costs)

Scenario 3: \$150K project Project starts in October 2026				
	Initial disbursement (40%)	Mid-disbursement (40%)	Final disbursement (20%)	Total
DAIR financial support	\$30,000	\$30,000	\$15,000	\$75,000
Matching funds from Applicant & Partners	\$30,000	\$30,000	\$15,000	\$75,000
Total	\$60,000	\$60,000	\$30,000	\$150,000

The actual disbursement dates and frequencies will be discussed and agreed upon between DAIR and the applicant SME.

Ethics and Handling of Confidential Information

Information shared with DAIR in the review of the application will be held in confidence and within secure storage. Upon execution of a Funding Agreement, the Parties shall keep confidential and shall not disclose the contents of the Agreement or the transactions contemplated, without the consent of all Parties, notwithstanding requirements to the Government of Canada under the Access to Information Act (Canada), the Privacy Act, the Library and Archives Act of Canada, and to the Government of Ontario through the Freedom of Information and Protection of Privacy Act (Ontario).

Upon entering into a Funding Agreement with DAIR, the applicant will agree that DAIR is authorized to share information pertaining to the applicant, its application and its Funding Agreement with the Government of Ontario for the purposes of reporting requirements. Disclosure of this information is subject to the relevant privacy and confidentiality laws including, without limitation, the Privacy Act.

DAIR requires any applicant entering into a Funding Agreement for the DAIR Green Fund to maintain proper and accurate accounts and records of the project for a minimum of 6 years after the date of completion of the project. The applicant understands that the Government of Ontario will maintain a right to audit the accounts and records of DAIR Green Fund recipients with respect to the funded project.

The applicant will provide assurance to DAIR that, where lobbyists are utilized, they are registered in accordance with the Lobbying Act and that no actual or potential conflict of interest exists nor any contingency fee arrangement established. The applicant will also provide assurance that any former public office holder that derives benefit from a potential Funding Agreement will be in compliance with the Conflict-of-Interest Act and the Values and Ethics Code for the Public Sector.

Intellectual Property

DAIR will not take ownership of or any other rights in any Intellectual Property arising from any project supported under the DAIR Green Fund. The Green Fund program is designed to support projects that will contribute to the development of intellectual property (IP) that will be exploited in Canada.

Intellectual Property stemming from a supported DAIR Green Fund project shall be owned by the applicant, the project partners, or an entity based in Canada for the duration of the Funding Agreement plus six (6) years.

The applicant shall make all reasonable efforts to exploit the IP generated from this funding in Canada for the duration of the funding Agreement plus six (6) years.

For more information

For any additional questions, please contact Steven Cargnello, DAIR Director of Innovation, at steven.cargnello@dairhub.com

Appendix A – Technology Readiness Level (TRL) Scale (from the Government of Canada)

Data extracted from the Government of Canada website: [Technology Readiness Level \(TRL\) Assessment Tool \(canada.ca\)](https://www.canada.ca/en/govcanada/departmental-information-systems/eng/technology-readiness-level-trl-assessment-tool.html)

Technology Dev. Stage	TRL	Definition	Description	Activities to achieve this level
Fundamental Research	1	Basic principles observed and reported	Scientific research begins with properties of a potential technology observed in the physical world. These basic properties are being reported in the literature.	- Basic research activities have been conducted and basic principles have been defined - Principles and findings have been published in the literature (e.g., research articles, peer-reviewed papers, white papers)
	2	Technology and/or application concept formulated	Applied research begins with identification of practical applications of basic scientific principles. There is an emphasis on understanding the science better and corroborating the basic scientific observations made during TRL 1 work. Analysis of the feasibility of speculative applications is being conducted and reported in scientific studies.	- Applications of basic principles have been identified - Applications and supporting analysis have been published in the literature (e.g., analytical studies, small code units for software, papers comparing technologies)
	3	Experimental proof of concept	Active research and development begin. The applications are being moved beyond the paper stage to experimental work. Feasibility of separate technology components are being validated through analytical and laboratory studies. There is not yet an attempt to integrate components into a complete system.	- Proof of concept and/or analytical and experimental critical function has been developed - Separate components have been validated in a laboratory environment
Research and Development	4	Validation of component(s) in a laboratory environment	Basic technological components are integrated "ad-hoc" to establish that they will work together in a laboratory environment. The "ad-hoc" system would likely be a mix of on hand equipment and a few special purpose components that may require special handling, calibration, or alignment to function.	"Ad-hoc" integrated components, sub systems and/or processes have been validated in a laboratory environment - How "ad-hoc" integration and test results differ from the expected system goals is understood
	5	Validation of semi-integrated component(s) in a simulated environment	The integrated basic technological components are performing for the intended applications in a simulated environment. Configurations are being developed but can undergo fundamental changes. The technology and environment at TRL 5 is more similar to the final application than TRL 4.	- Semi-integrated component(s)/ subsystems or processes have been validated in a simulated environment - How the simulated environment differs from the expected operational environment and how the test results compare with expectations is understood

Appendix A – Technology Readiness Level (TRL) Scale (from the Government of Canada) cont'd

Data extracted from the Government of Canada website: [Technology Readiness Level \(TRL\) Assessment Tool \(canada.ca\)](https://www.canada.ca/en/govcanada/departmental-accounts/technology-readiness-level-trl-assessment-tool.html)

Technology Dev. Stage	TRL	Definition	Description	Activities to achieve this level
Research and Development	6	System and/or process prototype demonstrated in a simulated environment	A model or prototype, that represents a near desired configuration, is being developed at a pilot scale, generally smaller than full scale. Testing of the model or prototype is being conducted in a simulated environment.	- Pilot scale model or prototype developed - Pilot scale model or prototype system is near the desired configuration in performance, and volume but generally smaller than full scale - Pilot scale prototype or model system has been demonstrated in a simulated environment - How the simulated environment differs from the operational environment, and how results differed from expectations is understood
Pilot and demonstration	7	Prototype system ready (form, fit and function) demonstrated in an appropriate operational environment	A full scale prototype is being demonstrated in an operational environment but under limited conditions (i.e., field tests). At this stage, the final design is very close to completion.	- Full scale prototype with ready form, fit and function developed - Full scale prototype demonstrated in an operational environment but under limited conditions
	8	Actual technology completed and qualified through tests and demonstrations	Technology is being proven to work in its final form and under expected conditions. This stage commonly represents the end of technology development. At this stage, operations are well understood, operational procedures are being developed, and final adjustments are being made.	- Final configuration of the technology developed - Final configuration successfully tested in an operational environment - Technology's ability to meet its operational requirements has been assessed and problems documented; plans, options, or actions to resolve problems have been determined
	9	Actual technology proven through successful deployment in an operational environment	Actual application of the technology in its final form is being conducted under a full range of operational conditions. Sometimes referred to as "system operations", this stage is where technology is further refined and adopted.	- The technology has been successfully deployed and proven under a full range of operational conditions - Operational, test and evaluation reports have been completed



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