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Beyond SR&ED: New Funding Opportunities for Canadian Innovators

New and expanded government funding opportunities in 2026

Grants, contributions and other support for R&D, innovation and business growth.

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What is Changing in Canada's Funding Landscape?

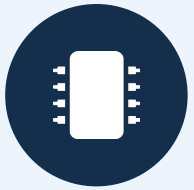
Three key areas of opportunity



01

Industrial Resilience

Diversifying markets, modernizing production and responding to trade pressures.



02

AI & Productivity

Developing, adopting and commercializing advanced technologies.



03

Defence & Dual-Use Innovation

Supporting defence-related R&D, dual-use technologies, industrial capacity and supply-chain integration.

Strategic Response Fund
Canada Strong Diversification Fund

Innovation, Science and Economic Development Canada

Grant | All of Canada | No Deadline

STREAM 1
Adapting, Pivoting and Diversifying the Canadian Economy

MINIMUM FUNDING
$10M

ELIGIBLE EXPENDITURES
Any costs

Stream 1 of the Canada Strong Diversification Fund provides support to Canadian businesses significantly affected by U.S. tariffs for projects that adapt operations, diversify markets and strengthen domestic production. Eligible projects may include developing new products or technologies, investing in productivity and materials, and retooling operations for alternative markets. Support is available to businesses in sectors including aluminum, automotive, forest products, steel and other tariff-affected industries.

STREAM 2
Capital Maintenance

FUNDING RANGE
$5M - $30M

ELIGIBLE EXPENDITURES
Material, Other

The Canada Strong Diversification Fund provides non-repayable Capital Maintenance funding to Canadian businesses impacted by U.S. Section 338 tariffs. Eligible projects must cost more than $20 million and can receive funding for up to two years to repair, replace or restore existing assets, including capitalized equipment and buildings. Eligible sectors include wood and paper, plastics, ICT, machinery, chemicals, food and beverage, textiles, furniture and cement.

Strategic Response Fund

Innovation, Science and Economic Development Canada

Government Loan | All of Canada | No Deadline

Business Innovation and Growth

MAXIMUM FUNDING

$10M

Up to 50% of project cost

ELIGIBLE EXPENDITURES

Any costs

The Business Innovation and Growth category of the Strategic Response Fund supports Canadian for-profit businesses and partnerships in investing, expanding, and creating jobs. Eligible recipients must manage their projects, fulfill contribution terms, report progress, and hold sufficient intellectual property rights to fully utilize project outcomes.

Collaborations and Networks

MAXIMUM FUNDING

$10M

Up to 50% of project cost

ELIGIBLE EXPENDITURES

Any costs

The Strategic Response Fund supports large, collaborative business-led projects and innovation networks that strengthen Canada's competitive advantage and drive economic growth. Funding under the collaborations and networks category supports partnerships across industry, academia, and research to develop and commercialize new technologies.

Critical Minerals

FUNDING RANGE

15% - 60%

Of project cost

ELIGIBLE EXPENDITURES

Cash flow, equipment, inventory, labor, long term assets, real estate, other

This program provides Strategic Response funding for the development of innovative, large-scale critical minerals projects that will strengthen Canada's domestic value chains. Qualifying projects are those that can advance the processing, refining, manufacturing, recycling, and reuse of critical minerals, with priority for lithium, graphite, nickel, cobalt, copper, and rare earth elements.

Regional Tariff Response Initiative (RTRI)

Regional development agencies

Regional Delivery | Terms vary by region | No Deadline

GRANT

Liquidity Assistance

MAXIMUM FUNDING

$2M - $3M

Up to 50% of project cost

ELIGIBLE EXPENDITURES

Varies by region

The Liquidity Assistance stream of the Regional Tariff Response Initiative provides non-repayable funding to incorporated, for-profit businesses across Canada facing tariff-related financial pressures. It helps businesses cover short-term liquidity needs for up to 12 months.

GRANT

Pivot Projects: Non-Repayable Funding

MAXIMUM FUNDING

$1M

Up to 50% of project cost

ELIGIBLE EXPENDITURES

Varies by region

The Pivot Projects stream of the Regional Tariff Response Initiative provides non-repayable funding to incorporated, for-profit businesses across Canada for projects that improve productivity, strengthen competitiveness and reduce exposure to future trade disruptions.

LOAN

Pivot Projects: Repayable Funding

MAXIMUM FUNDING

$1M

Up to 50%-75% of project cost

ELIGIBLE EXPENDITURES

Varies by region

The Pivot Projects stream of the Regional Tariff Response Initiative provides repayable, interest-free funding to incorporated, for-profit businesses across Canada undertaking larger-scale, transformative projects that improve productivity, strengthen competitiveness and reduce exposure to future trade disruptions.

BDC Pivot to Grow Loan

Business Development Bank of Canada (BDC)

Government Loan | All of Canada | No Deadline

Pivot to Grow Loan

FUNDING RANGE

$350K - $5M

ELIGIBLE EXPENDITURES

Any costs

This program provides loans to Canadian businesses affected by U.S. tariffs, related uncertainty or the current economic downturn. Funding can support cash flow, working capital, business repositioning and equipment investments. Eligible businesses have historically positive cash flow. They must demonstrate material negative impacts and meet the applicable export or tariff-related revenue or cost criteria.

Steel and Aluminium Industries Support Program

Business Development Bank of Canada (BDC)

Government Loan | All of Canada | No Deadline

Steel and Aluminium Industries Support Program

FUNDING RANGE

$2M - $50M

ELIGIBLE EXPENDITURES

Any

This program provides loan financing support to Canadian businesses operating in the steel, aluminum, and copper industries that have been materially impacted by U.S. tariffs. Eligible companies must operate within the steel, aluminum, or copper value chain, export to the United States, have annual revenues of at least $1 million, and have been in operation for 3 years or more. The program aims to help viable businesses maintain operations, protect jobs, and adapt to changing market conditions.

Trade Diversification Corridors Fund

Transport Canada

Grant | All of Canada | No Deadline

Trade Diversification Corridors Fund

FUNDING AMOUNT NOT SPECIFIED

ELIGIBLE EXPENDITURES

Any

The Trade Diversification Corridors Fund is a federal program delivering $5 billion in funding to improve Canada's trade infrastructure. Managed by Transport Canada, it supports projects that expand ports, rail, roads, airports, and other key trade corridors to reduce congestion and improve access to global markets. Funding may be provided as repayable or non-repayable contributions depending on the project.

Mitacs AI Advantage

Mitacs

Grant | All of Canada | No Deadline

ADOPT & AI+X

MINIMUM FUNDING PER JOB

$25K

ELIGIBLE EXPENDITURES

Salaries, Other

Mitacs AI Advantage helps Canadian organizations adopt artificial intelligence and advance AI-driven innovation through funding for student and postdoctoral placements. Its two streams support AI adoption and implementation (ADOPT) or applied AI research addressing sector-specific challenges (AI+X). Eligible partners include Canadian for-profit and not-for-profit organizations, hospitals, municipalities, and Indigenous governments working with eligible post-secondary institutions. Partner contributions are required. Funding supports paid student and postdoctoral placements, with partner contributions required.

Lead with Innovation and Focus on Technology (LIFT)

Business Development Bank of Canada (BDC)

Government Loan | All of Canada | No Deadline

Lead with Innovation and Focus on Technology (LIFT)

FUNDING AMOUNT NOT SPECIFIED

ELIGIBLE EXPENDITURES

Long term assets, short term assets, other

The Trade Diversification Corridors Fund is a federal program delivering $5 billion in funding to improve Canada's trade infrastructure. Managed by Transport Canada, it supports projects that expand ports, rail, roads, airports, and other key trade corridors to reduce congestion and improve access to global markets. Funding may be provided as repayable or non-repayable contributions depending on the project.

Defence Industry Assist (DI Assist)

National Research Council Canada (NRC)

Grant | All of Canada | No Deadline

Defence Industry Assist (DI Assist) – Industrial Research Assistance Program (IRAP)

FUNDING AMOUNT NOT SPECIFIED

ELIGIBLE EXPENDITURES

Consulting fees, salaries, sub-contractor

NRC IRAP's Defence Industry Assist (DI Assist) helps innovative Canadian SMEs accelerate the development of defence and dual-use technologies. The program combines funding with hands-on guidance from industrial technology advisors to support R&D that meets Canadian Armed Forces needs. DI Assist aims to strengthen Canada's defence industrial base by advancing innovation, supporting domestic supply chains, and enabling SMEs to scale and succeed in the defence sector.

Regional Defence Investment Initiative

Regional development agencies

Regional Delivery

Terms vary by region

LOAN

Regional Defence Investment Initiative (RDII)

MAXIMUM FUNDING

75%-90%

Of project cost

ELIGIBLE EXPENDITURES

Varies by region

The Regional Defence Investment Initiative provides repayable contributions to Canadian SMEs looking to scale operations and integrate into defence and security supply chains. Delivered through the regional development agencies, it supports military-focused, NATO-compliant projects that enhance production capacity, productivity, innovation, certification readiness and market growth, helping businesses adapt dual-use technologies and meet the needs of the Canadian Armed Forces, NATO and allied countries.

GRANT

Regional Defence Investment Initiative (RDII)

MAXIMUM FUNDING

90%

Of project cost

ELIGIBLE EXPENDITURES

Varies by region

The Regional Defence Investment Initiative provides non-repayable contributions to non-profit organizations that offer technical and business support to SMEs in Canada's defence and security sectors. Delivered through the regional development agencies, it supports projects that strengthen regional innovation ecosystems, help SMEs access defence supply chains and adapt dual-use technologies, and build expertise through research, technology transfer and specialized facilities. Projects must address a military or defence need.

Innovative Solutions Canada (ISC) Challenges

Innovation, Science and Economic Development Canada

Grant | All of Canada | Frequent, Short Intakes

ISC Challenge

MAXIMUM FUNDING

$300K - $2M

ELIGIBLE EXPENDITURES

Any

Innovative Solutions Canada turns specific federal government needs into challenges that Canadian SMEs compete to solve. Challenges cover both early-stage feasibility work (TRL 1 to 4) and later-stage prototype development and demonstration (TRL 5 to 9). New challenges are launched frequently with short application windows, so it's worth checking open opportunities regularly. Open to Canadian-incorporated, for-profit SMEs with 499 or fewer employees that conduct R&D in Canada.

StrongNorth Fund

Business Development Bank of Canada (BDC)

Equity | All of Canada | No Deadline

StrongNorth Fund

FUNDING AMOUNT NOT SPECIFIED

ELIGIBLE EXPENDITURES

Any

BDC's StrongNorth Fund is a dedicated venture capital fund investing in early-stage companies that develop deep technologies with defence-focused or dual-use applications. Part of a broader BDC initiative to advance Canada's defence innovation ecosystem through direct and indirect investments and ecosystem-building efforts, the fund aims to strengthen national sovereignty, help companies scale and position Canada as a global leader in defence innovation.

Funding Opportunities at a Glance

Industrial Resilience	New products or retooling due to tariffs	**Canada Strong Diversification Fund**
	Large-scale or collaborative projects	**Strategic Response Fund**
	Short-term cash needs or pivoting	**RTRI, BDC Pivot to Grow**
	Steel, aluminum or copper businesses	**BDC Steel and Aluminium Support Program**
	Trade infrastructure projects	**Trade Diversification Corridors Fund**
AI & Productivity	AI research with an academic partner	**Mitacs AI Advantage**
	Adopting AI or automation	**BDC Lift**
Defence & Dual-Use	Defence or dual-use technology	**DI Assist, BDC StrongNorth Fund**
	Joining defence supply chains	**RDII**
	Solving a government technology challenge	**ISC Challenge**

Finding the Right Funding Opportunities

From R&D projects to funding opportunities

1.

Look beyond R&D

Explore funding for commercialization, productivity, technology and market diversification.

2.

Identify complementary funding

Consider grants and contributions that can support different stages of your clients' innovation projects.

3.

Stay informed

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