



Investments in Forest Industry Transformation



APPLICANT GUIDEBOOK 2026 Capital Investment Projects

IFIT APPLICANT GUIDEBOOK – CAPITAL INVESTMENT PROJECTS 2026

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1. Introduction

This guidebook was developed to assist applicants in their submissions to Natural Resources Canada's (NRCan's) Investments in Forest Industry Transformation (IFIT) program. It outlines the requirements for the Full Project Proposal (FPP) package and explains how the program ensures a consistent, fair, and transparent review process. Additionally, it details how the program will communicate with applicants through each stage of the submission.

Applicants are advised to read this guidebook prior to completing the application forms to gain a better understanding of the IFIT program and its assessment process. The IFIT website serves as the primary resource for the intake schedule, critical program deadlines, and any essential administrative updates. If additional assistance is required, please refer to [Section 8 – Program Contact](#) to connect directly with IFIT officers.

1.1. WHAT'S NEW

To align with current Government of Canada priorities, IFIT has introduced an increased focus on strengthening domestic capacity and advancing Canadian housing solutions. Specifically, the program will prioritize projects that utilize Canadian suppliers, materials, and technical expertise throughout the project lifecycle. This commitment to domestic value is paired with a strategic emphasis on wood-based construction; priority is given to projects that deliver scalable, affordable, and innovative building systems.

To simplify the application process and allow for faster delivery of funds, IFIT has reintroduced a single-step process. Applicants are now only required to submit an FPP package through the [NRCan Funding Portal](#).

2. Program overview

2.1. BACKGROUND AND OBJECTIVES

Since 2010, the IFIT program has helped recipients de-risk innovative projects within Canada's forest sector. By bridging the gap between development and commercialization, the program accelerates the adoption of transformative technologies and products. IFIT's mission is to build a more competitive, sustainable, and low-carbon forest sector while helping companies establish new and diversified revenue streams.

The IFIT program has supported the forest sector and its dependent communities by promoting advancement and transformation of the industry. Through its support, the program has helped diversify markets, enhance competitiveness, and ensure long-term economic sustainability. IFIT improves environmental performance by investing in projects that produce renewable energy, offer alternatives to single-use plastics, and create next-generation building materials that help green the construction industry across Canada.

Expected program outcomes include:

- Enhanced environmental, social, and economic sustainability of Canada's forest sector.
- Development of new products and advanced processes within the industry.
- Engagement of forest sector stakeholders in the implementation of transformative projects.

2.2. PROGRAM DURATION

IFIT program funding will be available to recipients until March 31, 2029. All IFIT eligible expenditures must be incurred on or before March 31, 2029. However, completion of physical work paid for by the applicant or the applicant's partner(s) may extend past the program's end date, up to March 31, 2031.

2.3. PROGRAM ELIGIBILITY

2.3.1. Eligible recipients

To qualify for IFIT funding, the applicant must be a for-profit company located in Canada that falls into one of the following two categories:

- Existing Producers: Organizations currently manufacturing forest products (such as pulp, paper, solid wood, or engineered wood) at an existing facility.
- New Entrants: Organizations entering the forest sector specifically to execute the proposed project.

Clusters, joint ventures, and consortiums are eligible, provided a for-profit company is designated as the lead applicant. This lead organization will:

- Serve as the legal signatory for the funding agreement,
- Receive and manage the IFIT program funding, and

- Be responsible for project management and reporting results.

2.3.2. Targeted innovation categories

The IFIT program requires that projects fall within one of the targeted innovation categories designed to align with current priorities.

Advanced wood-based building solutions: The development of innovative structural and architectural solutions designed to displace carbon-intensive materials like concrete, steel, and fossil-based insulation.

- **Strategic Focus:** This category prioritizes modern methods of construction, including off-site manufacturing, modular systems, and digitally enabled design-to-build workflows that enhance efficiency and sustainability.
- **Operational Excellence:** Projects that modernize manufacturing processes within existing wood manufacturing facilities to improve resource efficiency, reduce operational costs, or significantly lower environmental impacts are also eligible where a sufficient level of innovation is demonstrated.

Biomaterials and biochemicals: The conversion wood fibre into high value materials. This category supports the development of value-added applications including, but not limited to:

- **Bioplastics and Resins:** Bio-based polymers and sustainable adhesives.
- **Functional Biocarbon:** Engineered carbon for non-thermal applications, such as water purification and advanced industrial applications.
- **Specialty Bio-Sourced Materials:** New applications or advancement of materials such as cellulose nanocrystals and nanofibrils.

Pulp and paper modernization: Projects aimed at transforming the pulp and paper industry through high-value diversification and environmental stewardship. This includes:

- **Product Diversification:** Developing innovative pulp-derived products that create new revenue streams in existing pulp and paper mills or new stand-alone facilities.
- **Operational Excellence:** Projects that modernize manufacturing processes within existing pulp and paper facilities to improve resource efficiency, reduce operational costs, or significantly lower environmental impacts are also eligible where a sufficient level of innovation is demonstrated.

Next-generation biofuels: The conversion of forest residues, low-grade fibre, harvest by-products, and mill residuals into fuels via thermochemical or biochemical

pathways. These advanced fuels—produced in liquid, gaseous, or solid forms—are designed as sustainable alternatives to displace traditional fossil fuels.

- **Ineligible Solid Fuels:** Standard wood products that have only undergone mechanical processing—such as white pellets, wood chips, and hog fuel—are not eligible for funding. To qualify as an "advanced" solid biofuel, the material must have undergone a chemical or thermal transformation (e.g., torrefaction, carbonization, or steam explosion) that significantly alters its energy density or chemical structure.
- **Eligible Solid Fuels:** Advanced thermal applications such as torrefied pellets or bio-coal will be considered provided they represent a significant technological advancement.

Advanced decarbonization: This category is reserved for transformative, emerging technologies that achieve deep emission reductions in forest sector operations. This "specialized" stream is intended for projects that do not fall under product-based innovation categories. Examples of eligible technologies include carbon capture utilization and storage and incorporation of geothermal energy into forest sector facilities.

2.3.3. Eligible projects

To be eligible for funding, projects must demonstrate an innovative advancement at an operational scale and be integrated within the forest sector as per the following criteria:

Advancement of innovation: The project must represent an innovative advancement in technology or process that strengthens the competitiveness of Canada's forest sector. It must demonstrate a "first-in-kind" innovation or the early adoption of a technology that requires further de-risking before it can be implemented industry-wide.

First-in-kind is defined as the first installation in Canada that meets the proposed operational scale and technical specifications.

Early adoption refers to the implementation of a technology or process before it has achieved widespread market use. These projects typically involve higher initial costs and the deployment of recently developed technology under unproven conditions.

Unproven conditions may include:

- **Environmental/Regional Factors:** Installation in a new region with unique power supplies, regulatory requirements, or logistical constraints.

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- Feedstock/Input Changes: Utilizing a different species of wood fibre.
- Process Adaptation: Significantly modifying existing processes to meet distinct operating parameters.

Operational scale: Projects must be at either:

- Demonstration Scale: Technology employed to produce a small quantity of a product for technical and market analysis (i.e. will produce small volumes in support of future full-scale development).
- Commercial Scale: Full scale facility that intends to produce products for profit.

Integrated within the forest sector: Projects must demonstrate a direct connection to the forest sector by meeting at least one of the following criteria:

- Resource-Based Integration: The project utilizes feedstocks derived from wood fibre, including (but not limited to) industrial by-products, harvest residues, or low-grade fibre streams.
- Operational Integration: The project is integrated into an existing forest sector industrial facility or operates as a specialized stand-alone facility within the forest products supply chain (e.g., a dedicated bio-refinery or advanced wood manufacturing plant).

Applicants proposing projects involving softwood lumber are asked to contact the program prior to submitting their FPP.

2.4. FUNDING RULES

2.4.1. Amount payable

The maximum amount payable by the IFIT program to a recipient will be **50% of the total cost** of a capital project. The maximum IFIT contribution to a project under this call for proposals is \$10 million.

Applicants selected for funding may not receive the full amount requested. The final contribution is determined by the total number of successful projects, the results of the proposal evaluation, and the funding envelope available in any given year. This determination also incorporates a risk-based due diligence assessment and a

thorough review of the financial plan, including the verified sources and amounts of funding from other partners.

2.4.2. Stacking provisions

Prior to signing a contribution agreement (a legal document that will lay out the conditions surrounding the transfer of funds from the Government of Canada to the recipient), recipients will be required to disclose all expected sources of funding applicable to the proposed project. This includes contributions from other federal, provincial/territorial, and municipal governments, as well as private sector sources.

As a means of verification, the recipient will be required to disclose all sources of funding again upon completion of a project.

Total government assistance (federal, provincial/territorial, and municipal) will not exceed 100% of the total eligible project cost. Funding exceeding the stacking limit will be subject to recovery.

2.4.3. Eligible expenditures

For funding under the IFIT program, eligible expenditures (as listed below) can only be incurred on or after the date on which the contribution agreement is signed by both parties. Costs are considered incurred when they are owing and due to the goods/service provider.

Eligible costs for an approved project under this program must be directly related to, and necessary for, the implementation and conduct of a project and will include:

- **Personnel and Administration:** Salaries and benefits, along with overhead expenditures directly essential to the project (overhead is capped at 1.5% of eligible expenditures).
- **Professional Services:** Technical and professional services, including research, consulting, engineering, trades, and laboratory services.
- **Capital and Materials:** Capital expenses, the retrofitting or upgrading of existing assets, and all necessary materials and supplies.
- **Operational Requirements:** Licence fees, permits, environmental assessment costs, and technical audits associated with project activities.
- **Travel and Engagement:** Travel expenses (transportation, accommodation, and meals based on National Joint Council rates), training, meeting hospitality, and space rentals.

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- Information Management: Data collection services (including processing and analysis) and media services such as publication and printing.

To help applicants determine eligible project expenditures, the following definitions have been provided. Not all eligible expenditures have been defined below. Applicants can contact the program for further clarification if necessary.

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| Salaries and benefits | <p>Salaries include wages for all personnel with direct involvement in the project, such as engineers, construction staff and technical advisors. All eligible personnel must be employees on the proponent's payroll. Payments such as shares, stock, stock options, etc., are not eligible. The amount invoiced shall be actual gross pay for the work performed and shall include no markup for profit, selling, administration, or financing.</p> <p>The eligible payroll cost is the employee's gross pay (normal periodic remuneration before deductions). Normal periodic remuneration rates are the regular pay rates for the period excluding premiums paid for overtime or shift work. The payroll rate does not include any reimbursement or benefit conferred in lieu of salaries or wages. When hourly rates are being charged for salaried personnel, the hourly rates shall be the periodic remuneration (annual, monthly, weekly, etc.) divided by the total paid hours in the period, including holidays, vacation, and paid sick days.</p> <p>Labour claims must be supported by suitable documentation, such as time sheets and records, and be held for verification at the time of audits. Management personnel are required to maintain appropriate records of the time devoted to the project.</p> <p>Benefits are defined as a reasonable prorated share of expenses associated with the direct labour cost, such as the employer's portion of the Canada Pension Plan, Quebec Pension Plan and employment insurance, employee benefits (such as health plan and insurance, workers' compensation, sick leave, and vacation), and any other employer paid payroll-related expenses. Items with no relationship to the project or that have been charged on an indirect basis are non-eligible. The determination of the fringe benefit amount shall be in accordance with Generally</p> |
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| | Accepted Accounting Principles (GAAP). In general, the fringe benefit rate provided in the project estimate shall be computed once during the life of the project and agreed on prior to the signing of the agreement. If retroactive adjustments are made, they must be indicated on claims for progress payments for NRCan approval. |
| Professional services | Professional services are defined as costs for the purchase of additional support required for the completion of the project. These costs can cover the following types of services: scientific, technical, and management activities; contracting; engineering; construction; installation, testing and commissioning of equipment; data collection; and logistics. The amount eligible for a sub-contractor or a consultant shall be the actual contract amount. |
| Travel expenses | Reasonable travel and accommodation costs will be reimbursed for activities directly related to the realization of the project. Unless stated otherwise in the contribution agreement between NRCan and the applicant, Treasury Board meal rates that are in effect at the time of signing the contribution agreement shall be used in reimbursing the cost of meals for activities directly related to the realization of the project. |
| Capital expenses | These expenses include equipment acquired or constructed exclusively for the project, including informatics hardware and software. To be eligible, equipment must be identified in the project cost estimate and approved by the IFIT program. Equipment shall be charged to the project at the net price after deducting all trade discounts and rebates. |
| Materials and supplies | Products include those consumed in carrying out the project. Products purchased solely for the project or issued from the applicant's inventory are eligible. All products shall be charged to the project at the net price after deducting all trade discounts and rebates. Surplus products shall be credited to the project at the original purchase price. |

3. Submission details

The FPP form and annexes must be completed and submitted through [NRCan's Funding Portal](#). Applicants experiencing technical difficulties with the portal may contact the program to request an *Online Submission Portal User Guide*, which provides comprehensive, step-by-step instructions for submitting an FPP.

3.1. FINANCIAL OBLIGATIONS

Submission of a project proposal does not guarantee that applicants will receive funding under the program. Any approvals under this process will be conditional upon the execution of a contribution agreement. Until a written contribution agreement is signed by both parties, no commitment or obligation exists on the part of the IFIT program to make a financial contribution to any project. Consequently, any activities initiated or expenditures incurred prior to the finalization of a signed agreement are undertaken solely at the applicant's own risk and discretion.

3.2. SHARING OF INFORMATION

Once the call for proposals is closed, the IFIT program reserves the right to share information from specific sections of the FPP that are explicitly designated for public disclosure. All other materials provided throughout the application process are treated as confidential. The program is dedicated to protecting sensitive information. Applicants can refer to [Section 7.5: Confidentiality and Security of Information](#) for additional information.

3.3. REQUIRED ATTACHMENTS

To facilitate a thorough assessment of both mandatory and rated criteria, applicants must submit supporting documentation with their FPP form.

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| <p>1. FPP annexes</p> | <p>The FPP annexes must be completed in full through NRCan’s Funding Portal.</p> |
| <p>2. Business plan</p> | <p>For commercial-scale projects, applicants must provide a credible business plan including financial forecasting, key performance indicators, and market analysis that identifies potential customers. Additionally, it should outline clear project goals and a proactive risk-mitigation strategy to address anticipated challenges. For demonstration-scale projects, where certain financial metrics may be less mature, the plan should instead emphasize the strategic gap the project aims to bridge and demonstrate how the technology will be validated for future market adoption.</p> |
| <p>3. Organizational chart</p> | <p>Applicants should include an organizational chart showing their corporate structure with ownership information.</p> |
| <p>4. Project schedule (Gantt chart or equivalent)</p> | <p>The project schedule should identify project milestones and deliverables, go/no-go decision points, and major milestones that form the critical path (such as environmental or construction permits, or procurement lead times for critical equipment).</p> |
| <p>5. Process flow diagram</p> | <p>Applicants must provide a high-level process flow diagram illustrating the general sequence of proposed operations and equipment. Rather than a granular technical schematic, this diagram should clearly demonstrate how new processes or key equipment will be integrated into the existing system. To ensure clarity during the review, please explicitly label any new elements within the process flow.</p> |
| <p>6. Cost estimate</p> | <p>The IFIT program expects project costs to be estimated within the range of +/- 20% accuracy at the time of application.</p> |
| <p>7. Workforce diversity plan</p> | <p>A Workforce Diversity Plan (a template will be provided for reference) should describe the recipient’s approach to improving gender balance and increasing diversity within their corporate structures and supply chains in Canada.</p> |
| <p>8. Preliminary engineering study</p> | <p>The preliminary engineering study should enable reviewers to understand the overall project configuration and key</p> |

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| (or equivalent) | construction parameters. The level of detail should reflect the complexity of the proposed project and include all information that would enable the applicant to obtain third party funding, corporate approvals, or apply for permits. |
| 9. Site layout | This is a graphic representation of how a project's infrastructure, equipment, and support systems are arranged within the specific geographic location. It serves as a spatial blueprint that demonstrates how new technology or processes will physically integrate with existing facilities. |

The following documents are not mandatory but should be considered for inclusion.

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| 10. Results from studies or trials | Applicants should include any studies or trials that validate the proposed technology, product, or application with a representative feedstock. Third-party validated results, if available, should be included with the application. |
| 11. Letters of support | Any letters that confirm the validity of the project should be included in the application. This includes, but is not limited to, partnership agreements (including confirmation of funding), offtake agreements, fibre supply agreements, confirmation of community support, and letters that support the technical viability of the project. |
| 12. Financial statements | To expedite the financial assessment, applicants are encouraged to provide three years of financial statements where available. |

Any additional documents that applicants wish to include in their submission that are not listed above will require justification for inclusion and must be referenced within the application form.

4. Evaluation

The FPP serves as the basis for funding selection. All submissions undergo an initial screening against mandatory eligibility criteria to ensure they meet the program's baseline requirements. Projects that successfully pass this gate are then evaluated against specific rated criteria by an interdisciplinary panel.

Based on these evaluations, a shortlist of high-potential projects is compiled. All applicants will be notified of their status once this shortlist is finalized. Shortlisted projects will then advance to the Due Diligence Assessment detailed in [Section 5](#).

4.1. MANDATORY CRITERIA

To be eligible for funding, projects must satisfy all requirements detailed in [Section 2.3 – Program Eligibility](#) of this Application Guidebook:

1. **Recipient eligibility:** Confirmation that the applicant is a qualified recipient.
2. **Targeted innovation categories:** Demonstrated fit within one of the five identified priority areas.
3. **Advancement of innovation:** A clear demonstration of how the project advances innovation beyond standard industry practices.
4. **Operational scale:** Projects must be at a demonstration or commercial scale.
5. **Forest sector integration:** Demonstrate a direct link to the wood fibre supply chain or industrial forest operations.

It is the responsibility of the applicant to demonstrate that the project clearly meets each mandatory criterion. Failure to clearly demonstrate that the project meets every mandatory criterion may result in the project being eliminated from consideration for funding.

4.2. RATED CRITERIA

Projects that clearly meet each of the mandatory criteria will then be evaluated against the program's rated criteria as outlined below.

1. **Technical Feasibility:** This criterion assesses the likelihood of success in terms of the project being executed as proposed and the technology achieving the stated outcomes. Preference will be given to projects that demonstrate strong

engineering practices, thorough risk identification and mitigation strategies, and a project team with the specialized expertise required for successful delivery. The evaluation will also consider the clarity, feasibility, and logic of the description of work.

2. **Innovation:** This criterion assesses the degree of innovation within the project and its potential for broad adoption across the forest sector. Priority will be placed on the first-of-kind implementation of technologies within the industry, including the novel adaptation of solutions from other industrial sectors. As a primary goal of the IFIT program is to bridge the gap between development and commercialization, proposals featuring full-scale operational technology—capable of producing marketable volumes—will be prioritized over pilot or demonstration-scale initiatives.

Additional consideration will be given to projects that propose Advanced Wood-Based Building Solutions. The program also seeks to strengthen domestic capacity by favoring projects that demonstrate a high level of Canadian innovation, specifically where the primary intellectual property or technical intelligence originated in Canada.

3. **Partnerships:** The program will prioritize projects that feature meaningful strategic collaborations with diverse industrial sectors. Particular emphasis is placed on Indigenous partnerships and cross-sectoral integration with industries not traditionally associated with forestry where partners take an active, vested role in the project's success. Ideal partnerships demonstrate high engagement, where all parties hold a tangible stake in the operational outcomes.

Proposals that leverage a significant proportion of total project costs from industry partners or other government programs will be viewed more favorably. Stronger consideration will be given to projects with confirmed partnerships, evidenced by established agreements and a clear commitment to shared financial risk.

4. **Business plan:** Preference will be given to projects that demonstrate strategic value through thorough market analysis, robust risk management, and a demonstrated route to market. Proposals will be evaluated on their financial indicators, including a breakdown of calculation assumptions. Recognizing that demonstration-scale projects may not have a fully developed business plan, these applicants may focus on describing the strategic gap the project will address.

For guidance on structuring their business plan, applicants are encouraged to refer to templates provided by the [Business Development Bank of Canada](#).

5. **Fibre supply:** Understanding that not all projects will include a fibre component, the program will prioritize initiatives that consume underutilized fibre sources or wood-processing waste streams. A key objective is to ensure that projects do not divert fibre from existing higher value applications but rather enhance the efficiency of the local resource pool. Proposals should demonstrate a positive impact on the regional fibre supply chain and address any specific local restrictions or opportunities.

To ensure long-term operational viability, applicants must clearly outline their fibre procurement strategy. This includes providing evidence of secure access to the necessary volumes, such as through long-term supply agreements or a well-defined sourcing mechanism.

6. **Timing/project readiness:** The program will prioritize projects that provide a credible and defensible implementation schedule, specifically those demonstrating the capacity for substantial completion within the IFIT funding window. Beyond a viable timeline, high-scoring proposals will exhibit an advanced state of readiness. Evidence of this readiness includes, but is not limited to, secured site locations, obtained regulatory permits, and executed agreements for both fibre supply and product offtake. Collectively, these elements should demonstrate that the project is "shovel-ready" and capable of meeting its stated milestones without administrative delay.
7. **Value for investment:** The program provides a non-repayable contribution of up to 50% of total project costs, to a maximum of \$10 million per recipient. While this represents the upper limit, the evaluation process favors proposals that request a lower proportion of IFIT funding, thereby demonstrating significant private-sector commitment.

Priority will be given to projects that clearly demonstrate a need for support. Applicants should substantiate how IFIT funding is essential to the project's success—specifically by showing how it overcomes financial barriers, accelerates implementation timelines, or mitigates the heightened risks associated with first-of-kind technology.

8. **Benefits to Canadians:** Proposals are evaluated based on their ability to generate measurable economic, societal, and environmental value. A primary focus of this assessment is the project's role in strengthening domestic capacity; specifically, preference will be given to initiatives that prioritize

Canadian suppliers, materials, and technical content throughout the project lifecycle. This commitment to domestic value is complemented by a strategic emphasis on advancing Canadian housing solutions, where projects are expected to contribute to the delivery of scalable and affordable wood-based building systems.

Beyond these core economic drivers, the evaluation will consider the project's impact on employment, its ability to foster social advancement, and minimize environmental impacts.

5. Due diligence assessment

Shortlisted projects will undergo a due diligence assessment to validate the project readiness and financial viability. If all criteria for funding are met, a contribution agreement will be negotiated between the applicant and NRCan. This due diligence step is mandatory to be considered for funding. Shortlisted applicants will be asked to provide key documentation, including but not limited to:

- **Risk assessment questionnaire:** This form provides the final details required to establish the project's risk profile and allows applicants to report on progress or minor changes in scope. Applicants must provide an update to budget details along with confirmation of corporate approval and secured funding sources. Additionally, the questionnaire covers regulatory requirements, technical implementation, and market strategies to ensure the project remains on track for successful delivery.
- **Updated schedule and detailed workplan:** In addition to an update to project timing, the program requires a detailed description of work outlining the activities necessary to achieve project objectives. If selected for funding, this plan will serve as the basis for the formal description of work within the final contribution agreement.
- **Financial information:** Applicants must provide financial statements and a detailed cash flow spreadsheet to support a comprehensive financial risk assessment. This evaluation, which may be conducted by an independent third-party institution at the program's expense, assesses the overall financial viability of the project, the applicant firm, and any significant financial partners.

The results of the due diligence will be used as the final decision point for financial support of projects. The IFIT program will contact applicants once the final funding decisions have been made and program officials will then work with successful applicants to negotiate contribution agreements. Failure to submit any information

supporting the due diligence assessment in a timely fashion may result in elimination from the process.

6. Forest sector workforce diversity

NRCan recognizes how the contributions of a diverse and inclusive workforce enhance the resilience and competitiveness of Canada's forest sector. To gain a better understanding of diversity within the forest industry, IFIT will collect Workforce Diversity Plans and Questionnaires. For the total project duration and two years after project completion, recipients will be required to update both documents. They will also need to submit the results of the plan implementation on an annual basis (see details in [Section 7.1 – Contribution Agreement](#)).

6.1. WORKFORCE DIVERSITY PLAN

Applicants are required to provide a Workforce Diversity Plan as part of their FPP submission. The plan should describe the applicant's approach to improving gender balance and increasing diversity within their Canadian corporate structures and supply chains in Canada.

The plan may include, but is not limited to:

- internal policies related to discrimination or harassment;
- existing or planned training to educate the organization's workforce on diversity and inclusion;
- statistics on the proportion of designated groups employed at all levels of their organization in Canada;
- approaches for factoring gender and diversity into the organization's supplier selection methods in Canada;
- funding advocacy groups or promotional activities that promote workforce diversity;
- conducting research or studies to better understand barriers and identify solutions that support workplace diversity and inclusion; and
- strategies to increase workforce diversity in the composition of the board of directors, board sub-committees, and at the senior management level.

A template for a Workforce Diversity Plan is provided for reference on the IFIT website. However, applicants are permitted to submit a plan in the format of their choice. Details of the plan will not be disseminated without consent the applicant.

6.2. WORKFORCE DIVERSITY QUESTIONNAIRE

If selected for funding consideration, applicants will also be asked to complete and submit a Workforce Diversity Questionnaire. This condition must be met to become an IFIT funding recipient.

All information collected regarding diversity will be treated confidentially. Employees of NRCan will have access to data collected by the Workforce Diversity Questionnaire but this information will not be available outside of the department. Questionnaire results will be kept confidential and NRCan will never identify an organization's name in reporting of any kind. When questionnaire results are reported, they will always be aggregated (individual questionnaire results are combined and presented as a group).

To ensure that personal information is not discernible, the questionnaire will not be mandatory for companies with fewer than ten employees.

7. Additional information for recipients

This section contains information that will be relevant only to applicants who are selected to receive IFIT program funding.

7.1. CONTRIBUTION AGREEMENT

Following project approval, a contribution agreement will be signed by the successful applicant and NRCan. The applicant will then become a funding recipient and will be required to meet the obligations as outlined in the agreement.

The IFIT program requires reporting both during project execution and after the project is complete. Full details of reporting will be laid out in the contribution agreement. However, recipients can expect the following:

1. Quarterly reports during the project execution stage. These will include:
 - financial information for the project including cash flows, equipment purchases, and overhead descriptions;
 - a progress report to describe activities undertaken to meet project objectives; and
 - an updated Workforce Diversity Questionnaire for the last quarterly report of each fiscal year.

2. A final report once the project activities have been completed. This will include:
 - a financial component to describe how IFIT funds have been spent;
 - a narrative report that describes project activities, benefits, diversity measures, and the achievement of key performance indicators; and
 - an updated Workforce Diversity Plan and Questionnaire.
3. Annual reports for two years following project completion. These will include:
 - project results and benefits; and
 - an updated Workforce Diversity Plan and Questionnaire for the second report of each fiscal year.

7.2. BASIS AND TIMING OF PAYMENTS

The Government of Canada's fiscal year is the period beginning on April 1 of any year and ending on March 31 the following year. Multi-year agreements will establish a funding amount per fiscal year adding up to the total contribution under the agreement.

The contribution agreement will provide details on the documentation that is required when submitting a claim for payment. The contribution agreement will also stipulate the start date and end date of eligible costs for each project.

Payments will be made based on receipt and approval of financial reports signed by the recipient's Chief Financial Officer (or duly authorized officer) outlining actual eligible costs incurred for the project. Payments will typically be made on a quarterly basis.

For agreements signed in the first year of the program (April 1, 2026, to March 31, 2027), IFIT may accommodate retroactive reimbursement of eligible expenditures incurred from April 1, 2026, to the date of execution of the contribution agreement where it is deemed appropriate to ensure the success of the project. Retroactive expenditures will be limited to 50% of NRCan's contribution.

For agreements signed after March 31, 2027, IFIT will not reimburse any project costs incurred by the recipient before an agreement is signed.

Advance payments may be permitted, where requested by the proponent, and based on an assessment of their need, risk levels, and cash-flow requirements.

Final payment will not be made until all agreed-upon project activities outlined in the description of work included in the contribution agreement have been completed by the recipient and are deemed acceptable by the IFIT program. To ensure appropriate project oversight, a reasonable holdback may be applied and released once all conditions of the contribution agreement have been met.

7.3. IMPACT ASSESSMENT CONSIDERATIONS

The *Impact Assessment Act* and its regulations establish the legislative basis for the federal practice of impact assessment in most regions of Canada. Projects in Canada's north are assessed under separate legislation, depending on the region in which the proposed project will occur.

Under the Act, an impact assessment (potential environmental, health, social and economic impacts of proposed projects, including benefits) may be required for Designated Projects. A Designated Project includes one or more activities that are listed in the Physical Activities Regulations (commonly known as the Project List), as well as any activity incidental for the listed physical activities. If you are unclear as to whether your project and its physical activities are captured under the Physical Activities Regulations, please contact the Impact Assessment Agency of Canada.

Projects not on the Designated Project List may require a federal impact assessment if they occur on federal lands or outside of Canada, involve a physical activity related to the work, and involve NRCan funding. Additional information on impact assessment for projects on federal lands or outside of Canada can be found in sections 82 through 91 of the *Impact Assessment Act*. Applicants are not required to submit any additional information regarding impact assessment at the application stage. In cases where the *Impact Assessment Act* might apply to a proposed project, the IFIT program will work with project applicants to assess the requirements specific to their project.

7.4. DUTY TO CONSULT

NRCan has a duty to consult with Indigenous groups when a contemplated Crown conduct, such as the provision of funding, may have an adverse impact on existing or potential Aboriginal or Treaty rights. To assess consultation requirements, applicants are encouraged to use the [Aboriginal and Treaty Rights Information System](#) to identify the Indigenous groups that may be impacted by their projects.

For each project proposal that advances to the shortlist, IFIT program officers will review applications to determine if the proposed project is likely to result in an

adverse impact on established, claimed or potential Aboriginal or treaty rights. Where appropriate, a meaningful and adequate consultation process, commensurate with the severity of adverse impact and the strength of the claims, will be undertaken.

Proponent consultation with Indigenous groups is not required under the IFIT program as part of the application process. However, applicants are encouraged to report if they have already conducted consultation or engagement activities in relation to the project proposal, or as part of the applicant's ongoing operations/corporate commitments. Applicants are asked to identify the Indigenous groups they have interacted with and describe the type and frequency of activities undertaken.

7.5. CONFIDENTIALITY AND SECURITY OF INFORMATION

Paragraph 20(1) of the *Access to Information Act* prohibits a government institution, including NRCan, from disclosing any information—financial, commercial, scientific or technical—supplied by a third party if the third party treats the information as confidential in their own establishment.

Accordingly, NRCan will protect the applicant's confidential information in its possession to the same extent as the applicant protects said confidential information in its establishment. NRCan will use email correspondence for all non-confidential matters. NRCan recognizes that email is not a secure means of communication, and NRCan cannot guarantee the security of confidential information sent via email while it is in transit.

7.6. TAX TREATMENT

All questions concerning the tax treatment of funds received under IFIT should be directed to the [Canada Revenue Agency](#).

7.7. AUDIT RIGHTS

Funding recipients will be required to:

- keep proper accounts and records for at least 5 years after the project completion date;
- permit Government of Canada representatives to audit, inspect, and make copies of those accounts and records at all reasonable times, up to 5 years after the project completion date;

- grant the Government of Canada’s authorized representatives access to audit and inspect the qualifying project and related facilities;
- furnish the Government of Canada’s authorized representatives with such information as they may reasonably require with reference to the specified documents; and
- promptly refund any overpayments of the contribution disclosed by an audit to NRCan.

7.8. INTELLECTUAL PROPERTY

Any background intellectual property required for the project must vest with the applicant, or the applicant must hold sufficient background intellectual property rights to allow their project's activities to be carried out. Additionally, they must hold sufficient rights to permit them to exploit the intellectual property resulting from their project's activities.

8. Program contact

Applicants are encouraged to consult the [IFIT program’s website](#) for updates regarding the timing and availability of funding opportunities.

Enquiries can be sent to the IFIT team at ifit-itif@nrcan-rncan.gc.ca.