European Innovation Council

EIC Innovation Procurement Toolkit:

Module D – Innovation Procurement at the International Level

Country profile 4. Canada

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Introduction

Canada's economy is one of the top 10 globally in terms of GDP[1], and its GDP per capita often ranks within the top 20, with 2.14 trillion in 2024 and a population 41,5 million inhabitants[2]. While US trade policy is a major source of uncertainty, with threats of significant tariffs on imports from trading partners, including Canada, Canadian economic growth is forecasted to average 1.1% in 2025 and 1.6 in 2026[3][4]. The country's wealth of natural resources positions it as a prominent exporter of primary products, including fossil fuels, minerals, and agricultural goods. Canada is also a hub for innovation-led industries, including Technology and Software Development, Biotechnology and Pharmaceuticals, Clean Technology, Advanced Manufacturing, Financial Technology, Agricultural Technology, Media and Entertainment Technology, Artificial Intelligence, and Machine Learning. The Government of Canada stands out as one of the country's largest public buyers of goods and services, purchasing $37 billion annually on behalf of federal departments and agencies[5]. This significant procurement activity presents a lucrative opportunity for EU Small and Medium-sized Enterprises (SMEs) and start-ups interested in entering the Canadian market.

This chapter of the **EIC Innovation Procurement Toolkit Module on International Procurement** is designed to equip European SMEs and start-ups with the essential knowledge and tools to successfully navigate the **Canadian procurement ecosystem**[6]. Through this guide, businesses will gain:

- **Market intelligence:** Insights into the Canadian procurement landscape, including key national strategies, major industry players, and emerging opportunities.
- **Regulatory & compliance guidance:** A comprehensive overview of Canadian procurement laws, contracting procedures, certification programmes, and intellectual property (IP) protection.
- **Strategic networking:** Tips on identifying and engaging with key buyers, suppliers, and partners in federal, territorial, provincial, and private-sector procurement.
- **Tendering opportunities:** A step-by-step approach to finding, understanding, and applying for public and private contracts, including guidance on navigating **CanadaBuys** and federal procurement platforms.
- **Operational readiness & risk management:** Practical advice on financial and legal preparedness, cultural considerations, business etiquette, and risk mitigation strategies for market entry.

By leveraging this guide, European SMEs will be better positioned to navigate the complexities of the Canadian procurement system, seize new growth opportunities, and establish a lasting presence in this highly lucrative market.

IMPORTANT NOTE

It is worth noting that the Canadian procurement landscape is subject to **ongoing updates and reforms**, with recent policy shifts in global market and tariffs imposed under the Trump administration impacting how businesses engage in national and provincial and/or territorial procurement. Key changes modernisation or streamlining in technology and defense procurement, revised federal contracting policies, and evolving standards for AI-driven innovation. Readers are advised to verify the latest updates to this Chapter and to get professional advice to ensure compliance and informed decision-making.

[1] Statista. (n.d.). Canada - Gross domestic product (GDP) 2030. Retrieved from Canada - Gross domestic product (GDP) 2030| Statista

[2] Statistics Canada. (2025). *Table 17-10-0009-01: Population estimates on July 1st, by age and sex* [Data table]. Government of Canada. Retrieved July 10, 2025, from https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1710000901&cubeTimeFrame.startMonth=01&cubeTimeFrame.startYear=2024&cubeTimeFrame.endMonth=04&cubeTimeFrame.endYear=2025&referencePeriods=20240101%2C20250401

[3] Bank of Canada. (2025, April 16). Overview: Monetary Policy Report - April 2025. Retrieved from https://www.bankofcanada.ca/publications/mpr/mpr-2025-04-16/overview/#:~:text=In%20February%20and%20March%202025,in%20this%20highly%20uncertain

[4] Deloitte Canada. (2025, June 25). *Economic outlook: Summer 2025 – Tariffs, trade, and a new path forward* [PDF]. Deloitte Canada. https://www.deloitte.com/content/dam/assets-zone3/ca/en/docs/services/consulting/2025/ca-en-economic-outlook-summer-2025-sec.pdf

[5] Canadian Commercial Corporation. (n.d.). *Get to Know the Government of Canada Procurement Process*. Retrieved from [Canadian Commercial Corporation website] (https://www.ccc.ca)

[6] Disclaimer: please note that there are ongoing changes to legal considerations and procurement rules in Canada. Readers are advised to verify the latest updates and regulations to ensure compliance and informed decision-making. Given the dynamic nature of this field, the details presented here may evolve over time.

1. Is the Canadian market attractive for my company?

Before entering the Canadian market, it is crucial to assess its attractiveness in relation to your business. A comprehensive understanding of the local procurement environment—both public and private—is essential.

1.1 Gather insights for your market research

Successfully entering the Canadian market requires thorough research and a strategic approach. For European SMEs and start-ups, understanding the innovation procurement landscape is essential to assess demand, identify opportunities, and establish a competitive edge. Market demand can be analysed through reports from reputable sources such as the **International Monetary Fund**, **IBISWorld**, **Statista** and **ISED** which offer insights into sector growth, emerging trends, and technological advancements. Conducting a competitor analysis is equally crucial, as it helps businesses understand key market players' positioning. Platforms like **Crunchbase**, **PitchBook**, and **StatCan findings** provide valuable data on funding trends, established competitors, and new market entrants.

Understanding consumer behavior is a fundamental aspect of market research. European companies should explore resources to gain insights into purchasing behavior, technological adoption rates, and demographic shifts that may influence market entry strategies such as:

- **Statistics Canada:** The national statistical office provides comprehensive data on various aspects of consumer behavior, including spending habits, income, demographics, and market trends. It publishes detailed reports and surveys that can be invaluable to understand consumer behavior.
- **The Conference Board of Canada:** This independent research organisation offers insights into economic trends, consumer confidence, and market forecasts. Their reports often include analyses of consumer behaviour and preferences.
- **Canadian Marketing Association (CMA):** The CMA provides resources, research, and insights into consumer behaviour and marketing trends in Canada. They offer reports and publications that can be useful to understand market dynamics.
- **Retail Council of Canada (RCC):** RCC provides research and insights into retail trends and consumer behaviour in Canada. Their reports often focus on shopping habits, retail sales, and market conditions.
- **Canadian Institute for Advanced Research (CIFAR):** CIFAR conducts advanced research in various fields, including social sciences and economics. Their studies can provide deeper insights into consumer behaviour and societal trends.

Additionally, compliance with Canadian regulations is critical, as regulatory frameworks vary by sector. Businesses should familiarise themselves with industry-specific requirements established by acts such as **the Canada Consumer Product Safety Act** for consumer protection matters, the **Food and Drugs Act** that applies to all food, drugs, cosmetics and medical devices sold in Canada, whether manufactured in Canada or imported, and the **Canadian Radio-television and Telecommunications Commission** for telecommunication and **Innovation, Science and Economic Development Canada (ISED)** technology-based products.

Annex 1 and **Annex 2** to this chapter provide more information on the country's **government and economy**, as well as on its **business culture** with key information to take into account as part of your market entry.

In the heart of Canada's bustling innovation landscape lies the **Strategic Innovation Fund (SIF),** a leader in innovation and economic growth. The fund aims to position Canada as a global leader in innovation by supporting large-scale, transformative projects. While the primary focus of the SIF is on Canadian businesses, EU SMEs (Small and Medium-sized Enterprises) can potentially benefit from the fund under certain conditions.

Here are some key points to consider.

- Eligibility criteria: The SIF has specific eligibility criteria that businesses must meet to qualify for funding. These criteria typically include the nature of the project, the potential for innovation, and the economic benefits to Canada. EU SMEs would need to ensure their projects align with these criteria.
- Partnerships and collaborations: EU SMEs can benefit from the SIF by forming partnerships or collaborations with Canadian companies. Joint ventures or strategic alliances with Canadian firms can make EU SMEs eligible for funding, as long as the project contributes to innovation and economic growth in Canada.
- Establishing a presence in Canada: EU SMEs that establish a subsidiary or branch in Canada may be eligible to apply for the SIF. This involves setting up operations in Canada and meeting the fund's requirements.
- Sector-specific opportunities: The SIF targets specific sectors such as clean technology, advanced manufacturing, health and biosciences, and digital industries. EU SMEs operating in these sectors may find opportunities to leverage the fund for innovative projects.
- Application process: EU SMEs interested in the SIF should carefully review the application process and requirements. This includes preparing a detailed project proposal, demonstrating the innovation potential, and outlining the economic benefits to Canada.

To achieve its objectives, SIF offers funding through various streams targeting different types of projects, including research, development, and commercialisation; firm expansion and growth; collaborative technology development and demonstration; advanced industrial research assistance; advanced manufacturing; clean technology; digital industries; health and biosciences; agricultural technology; transportation and infrastructure; and natural resources.

1.2 Key national strategies and policies

Several national strategies and policies in Canada have a direct impact on innovation procurement, and European SMEs and start-ups must ensure that their business objectives align with these initiatives to capitalise on the opportunities they present. Below are key national strategies and policies to consider:

- The **Public Works and Government Services Canada Act (PWGSC Act)** provides the legal foundation for procurement policies and practices within the Canadian federal government. It outlines the responsibilities of the Minister of Public Works and Government Services in managing procurement activities for federal departments and agencies. The act helps set the groundwork for incorporating innovative solutions in government procurement practices.
- The **Financial Administration Act (FAA)** establishes the rules for financial management in the federal government, including how funds are allocated for procurement activities. It sets out the principles for managing public funds in a way that ensures transparency, fairness, and accountability, while allowing flexibility to support innovative procurement solutions.
- The **Investment Canada Act (ICA)** is a Canadian federal law that governs foreign investment in Canada. Its primary purpose is to review significant investments in Canada by non-Canadians to ensure they benefit the country. The Act applies to both direct acquisitions of Canadian businesses and the establishment of new businesses in Canada by foreign investors.
- Canada has free trade agreements (FTAs) with the European Union through **the Comprehensive Economic and Trade Agreement (CETA)** and **Canadian Free Trade Agreement (CFTA)** that promote cooperation and trade between Canada and Europe. These agreements aim to facilitate market access for SMEs, enhance collaboration, and promote innovation through partnerships, especially in the technology and manufacturing sectors. CETA provides European SMEs with preferential access to Canadian government procurement opportunities, including innovation procurement. It also allows for easier collaboration between European and Canadian SMEs, enhancing access to innovation-driven public contracts.
- The **Directive on the Management of Procurement**, established by the Treasury Board of Canada, is a policy framework to guide federal departments and agencies in the procurement of goods and services. The directive aims to ensure that procurement activities are conducted in a fair, transparent, and efficient manner, while achieving best value for Canadians. This includes provisions related to innovation procurement and encourages departments to adopt innovative solutions and collaborate with SMEs as well as start-ups.
- The public procurement review process in Canada is designed to ensure that federal government procurement activities are conducted fairly, transparently, and in accordance with established rules and regulations. This process allows suppliers to challenge procurement decisions they believe are unfair or non-compliant. The **Canadian International Trade Tribunal (CITT)** plays a central role in this review process.

Specifically for innovation procurement, the following policies should be considered:

- The **Innovative Solutions Canada (ISC)** supports innovation in Canada by engaging SMEs in developing solutions for public sector needs. ISC provides funding and contracts to Canadian SMEs to develop and commercialise innovative products and services. To this end, European SMEs can collaborate with Canadian businesses or partner in joint ventures to leverage ISC's funding programmes and procurement opportunities.
- The **Public Services and Procurement Canada (PSPC)** manages the procurement of goods and services for the Canadian federal government, increasingly incorporating innovation. PSPC promotes the procurement of innovative technologies, especially in ICT, clean technology, and cybersecurity. European SMEs can participate in Canada's public procurement process, especially when offering innovative solutions that meet federal government needs. Collaboration with Canadian firms can enhance access to these opportunities.
- The **Innovation, Science and Economic Development Canada (ISED)** supports the innovation ecosystem in Canada and encourages the commercialisation of new products and services. ISED fosters innovation within Canadian SMEs and connects them with international businesses and investors. To this end, European SMEs can benefit from partnerships with Canadian firms under ISED programmes, leveraging innovation procurement opportunities in technology, green energy, and life sciences.
- The **Canadian Innovation and Commercialisation Programmes** like the **Strategic Innovation Fund (SIF)** and **NRC Industrial Research Assistance Programme (IRAP)** support the commercialisation of innovation. These programmes offer financial assistance to SMEs involved in research, development, and commercialisation. European SMEs with innovative solutions can apply for these programmes through partnerships or joint ventures with Canadian companies, accessing public sector procurement opportunities.
- The **Clean Growth Hub** accelerates the adoption of clean technologies in energy, resource management, and environmental solutions. It connects Canadian businesses with international companies and investors in the clean tech space.
- The **Canadian Digital Service (CDS)** aims to improve the digital services provided by the Canadian government. This initiative promotes the use of innovative digital solutions, with a focus on agile software development, data security, and improving user experience. The CDS engages with SMEs to develop digital products and services that improve public services in Canada. European SMEs specialising in digital innovation, software development, or IT services may find opportunities to collaborate with the CDS in providing innovative solutions to the Canadian government.
- The **Innovation Superclusters Initiative** focuses on fostering innovation in various sectors through the development of innovation superclusters across Canada. It encourages collaboration between businesses, academia, and governments to advance innovation and create jobs. Superclusters focus on key sectors such as digital technology, advanced manufacturing, clean technology, and health sciences. European SMEs in these sectors can collaborate with Canadian companies or join these superclusters, creating potential pathways for innovation procurement opportunities in Canada.
- While the **federal government** leads innovation procurement efforts, **provincial governments** in Canada also play a role. For instance, **Ontario and British Columbia** have innovation procurement programmes aimed at supporting SMEs in the clean tech and technology sectors. These regional policies aim to foster innovation at the local level through targeted public procurement. European SMEs could tap into these regional innovation procurement opportunities by partnering with local firms or establishing a presence in specific provinces.

To fully comprehend the procurement landscape in Canada, it is essential to understand the broader regulatory framework that governs how procurement contracts are awarded**. Public procurement** in Canada is primarily regulated by the **Directive on the Management of Procurement**, which sets out the rules governing the procurement process for federal government contracts. The Directive ensures that the procurement process is fair, transparent, and consistent, with a focus on providing value for taxpayers while promoting competition and integrity in government contracting. Various government agencies, such as **Public Services and Procurement Canada (PSPC)** and the **Department of National Defence (DND)**, oversee specific procurement activities and adhere to the Directive's guidelines when awarding contracts. In addition to federal procurement, provincial and municipal government procurement also have their own sets of rules, but they are generally influenced by federal standards. European companies seeking to engage in public procurement across various Canadian provinces must familiarise themselves with the specific requirements for each jurisdiction.

While private businesses are not required to follow the same stringent regulations as government entities, they must still **comply with general business laws and regulations**[7], such as those concerning fair competition and anti-corruption practices. There are industry-specific regulations[8], such as those governing procurement in the healthcare, finance, and energy sectors, which may impose additional requirements. Trade associations and industry groups[9] may also offer guidelines to help companies navigate procurement in specific sectors.

1.3 Establish the right market entry strategy for your business

For European SMEs and start-ups, the right market entry strategy into Canada will depend on several factors such as the nature of the business, available capital, and regulatory considerations. One of the most straightforward approaches is **direct exporting**. By introducing their service or solution directly from the EU to Canada, businesses can reach new customers with relatively low initial investment. However, this method requires careful attention to Canadian import regulations, tariffs, and certification requirements, which can vary depending on the industry. Additionally, companies will need to manage logistics, distribution, and ensure compliance with relevant Canadian standards.

Another option for SMEs looking to expand in Canada is **establishing a Canadian subsidiary**. Setting up a physical presence provides a stronger foothold in the market, facilitating access to funding opportunities, government contracts, and tax incentives while also enhancing brand recognition and fostering relationships with local customers and partners. This can be particularly valuable for companies looking to work with the Canadian government. Specifically, establishing a Canadian subsidiary can help with compliance for complex regulations like the **Investment Canada Act** and with establishing a Special Security Agreement (SSA) if needed. However, this process requires careful planning, particularly when choosing the appropriate legal structure, such as a corporation or a limited partnership, and navigating the complexities of Canadian tax and labour laws. For European SMEs, an additional challenge lies in selecting the most suitable province for their business, as each has its own regulatory framework, tax policies, and incentives. Seeking guidance from legal and financial advisors can help ensure a smooth and strategic expansion.

Partnering with a Canada-based distributor or forming strategic partnerships is another effective strategy for market entry. This approach allows European SMEs to leverage local expertise while maintaining control over their product or service. By working with a distributor, companies can benefit from their established distribution channels, marketing experience, and customer insights. This partnership can also help mitigate risks by sharing the responsibilities of inventory management, sales, and compliance with local regulations. However, selecting the right partner is crucial, as a trusted partner can make or break a market entry strategy. It's important to carefully vet potential distributors or partners to ensure they align with the company's values and long-term objectives.

Alternatively, **franchising or licensing** can provide a scalable method for entering the Canadian market, especially for businesses in sectors such as retail, food service, or technology. Through franchising, a business can expand quickly by allowing local entrepreneurs to replicate its business model. Licensing, on the other hand, enables SMEs to monetise their intellectual property or products by allowing a Canadian company to use their technology or branding. Both methods allow businesses to expand with lower financial risk, but they do require careful contract negotiation and oversight to ensure that the terms are mutually beneficial.

Choosing the most suitable market entry strategy requires a clear understanding of your business goals, available resources, and the specific challenges of the Canadian market. It is advisable to seek strategic and legal advice to explore which of the above scenarios is best suited to your business needs. Professional guidance can help identify potential risks, ensure regulatory compliance, and optimise your expansion strategy. Additionally, existing EU soft-landing programmes can offer valuable support for SMEs and start-ups looking to establish a presence in the Canadian market. The following section provides more information on these programmes.

[7] Competition Bureau Canada. (n.d.). *Strategic Vision*. Retrieved from https://competition-bureau.canada.ca/en/how-we-foster-competition/education-and-outreach/strategic-vision

[8] Office of the Superintendent of Financial Institutions Canada. (n.d.). *OSFI Overview*. Retrieved from https://www.osfi-bsif.gc.ca/en

[9] Canadian Chamber of Commerce. (n.d.). *The Future of Business Success*. Retrieved from Canadian Chamber of Commerce website

2. Is my company legally prepared to comply with the Canada market requirements?

The Canada legal system mandates compliance with a wide range of regulations covering procurement, certification, intellectual property, and labour practices. These requirements are crucial for businesses seeking to operate successfully in both the public and private sectors.

2.1 Innovation procurement in Canada

Canada has a notable history of using **procurement to drive innovation**, with government agencies playing a central role in funding **R&D** in key sectors like defence, technology, and energy. Notable examples include the **National Research Council Canada (NRC)** and the **Department of National Defence (DND)**, which have historically supported the development of technologies such as satellite communications, advanced computing systems, and renewable energy solutions through procurement initiatives.

The **Intellectual Property Strategy** allows universities and private companies to retain ownership of federally funded research, accelerating the commercialisation of new technologies. This fosters a closer link between public-sector research and the private sector, creating a fertile ground for innovative SMEs and start-ups. In addition, programmes like the **Industrial Research Assistance Programme (IRAP)** provide small businesses with federal funding for high-risk, high-reward innovation projects, making these schemes a vital entry point for EU SMEs looking to engage with the Canadian market.

In the 21st century, the Canadian government has shifted to more flexible contracting mechanisms, such as **Innovative Solutions Canada (ISC)**, which enable faster collaboration with the private sector, especially in technology and defence industries. For EU SMEs and start-ups, understanding these procurement mechanisms and leveraging government contracts in areas like AI, cybersecurity, and renewable energy presents a valuable opportunity to access the Canadian market and scale innovative solutions.

2.2 Regulatory landscape

For EU SMEs and start-ups aiming to enter the Canadian market, understanding and complying with the complex regulatory environment across federal, provincial, and municipal levels is critical to gaining a competitive edge in public and private procurement. Canada's decentralised system offers numerous opportunities, but each level of government has its own unique requirements and processes. By navigating these effectively and leveraging trade agreements like CETA and CFTA, EU SMEs can tap into a vast and dynamic market.

2.2.1 Public sector procurement

Public procurement refers to the process by which government entities—at the federal, provincial, and municipal levels—acquire goods, services, and infrastructure. The Government of Canada annually spends approximately $37 billion on goods and services to support the delivery of programmes and services to Canadians**. Shared Services Canada** and **Public Services and Procurement Canada (PSPC)** manage over 75% of the total value of these purchases[10]. Given its scale and impact, public procurement is tightly regulated to ensure transparency, competition, and efficiency.

Public sector procurement in Canada follows a structured process, governed by laws and regulations that vary by jurisdiction. At the federal level, procurement is primarily regulated by the Government Contracts Regulations and the Procurement Strategy for Indigenous Business (PSIB), which outline the principles and procedures for acquiring goods

[10]Government of Canada. (n.d.). *Improving Federal Procurement*. Retrieved from https://www.canada.ca/en/public-services-procurement/services/acquisitions/better-buying/improving-federal-procurement.html

and services. Additionally, specific agencies may have their own supplemental regulations, such as the Defence Procurement Strategy (DPS) for defence-related procurements.

Key aspects of federal procurement include:

- **Technology and innovation programmes:** Agencies such as the Industrial Research Assistance Programme (IRAP) and the SIF provide funding opportunities for innovative companies.
- **Security and compliance requirements**: Many contracts, particularly in defence and critical infrastructure, require compliance with cybersecurity standards like the **Canadian Centre for Cyber Security** guidelines.
- **Provincial and local procurement:** Each Canadian province has its own procurement rules, and municipalities may have additional requirements. Understanding local procurement processes can unlock opportunities outside federal contracts. For instance, each province and most cities publish business advice on their websites, which are valuable resources for discovering the differences across public entities. It is worth noting that federal laws supersede provincial law where applicable policies conflict.
- **Small business set-asides:** The Canadian government allocates a portion of contracts for small businesses, including those owned by women, veterans, and Indigenous groups, black people and people with disabilities. To qualify for these opportunities, SMEs may need to establish partnerships with Canadian entities. It is advisable to monitor developments closely and adjust strategic priorities accordingly.

2.2.2 Private sector procurement

Private sector procurement in Canada is highly competitive and varies across industries. Unlike public procurement, it is not subject to a single regulatory framework but is influenced by industry standards, corporate policies, and commercial best practices. Large corporations, technology firms, and multinational companies often seek innovative solutions from SMEs and start-ups through open innovation programmes, supplier diversity initiatives, and venture partnerships.

Key considerations for private sector procurement include:

- **Contracting standards:** Unlike public procurement, private sector agreements are governed by contractual negotiations. Businesses should be prepared to meet terms related to liability, intellectual property rights, and data security.
- **Regulatory compliance:** Certain industries, such as healthcare (PIPEDA compliance), finance (IIROC regulations), and technology (data privacy laws like PIPEDA), require adherence to strict compliance standards.
- **Corporate procurement portals:** Many corporations use supplier registration portals where SMEs can submit their profiles and bid for opportunities. Establishing relationships with procurement officers can enhance visibility.
- **Partnership and investment opportunities:** Innovation-focused firms often collaborate with start-ups through accelerator programmes, venture capital funding, or joint development initiatives.

2.3 Certification schemes

In Canada, certification schemes play a crucial role in both public and private sector procurement, particularly in fostering innovation and ensuring compliance with regulatory and security requirements. These certifications help businesses demonstrate credibility, meet procurement criteria, and gain access to lucrative contracts.

The **Government of Canada** provides a specific guideline for the steps to opening a Business in Canada through the platform **BizPaL (Business Permits and Licences).** BizPal is an online service that provides Canadian businesses with information on permits and licences required by all levels of government—federal, provincial/territorial, and municipal. The service aims to simplify the process of finding and applying for permits and licences, thereby helping businesses comply with regulations and operate legally.

Public sector certification schemes

- **Canadian Small Business Certification**: The Canadian government offers various certifications to promote the

participation of small and disadvantaged businesses in federal procurement:
    - **Procurement Strategy for Indigenous Business (PSIB):** Supports businesses owned by Indigenous individuals, providing preferential access to government contracts.

- **Women-Owned Business Certification:** Enhances opportunities for women entrepreneurs in federal procurement. **Cybersecure Canada Certification:** Required for organisations bidding on contracts with federal departments, this certification ensures compliance with strict cybersecurity standards for handling sensitive government data.
- **Standards Council of Canada** plays a vital role in ensuring that Canadian products, services, and systems meet high-quality standards and it is the responsible body for the CyberSecure Canada Certification. Moreover, for access free eLearning resources, business owners and entrepreneurs can visit the Canadian Centre for Cyber Security's Learning Hub and take **"Course 625: Cyber Security for Small and Medium Organisations."**
- **Canadian Centre for Cyber Security (CCCS) Certification**: For organisations bidding on contracts with the Canadian government, cybersecurity certifications related to data protection and government standards are required. This ensures compliance with Canada's cybersecurity framework and protects sensitive government data.
- **Supply Arrangement and Standing Offer Certification**: These certifications enable businesses to sell goods and services directly to government agencies through a pre-approved procurement framework, streamlining the purchasing process. Standing Offers and Supply Arrangements (SOSA), formerly known as Pre-Qualified Supplier Data (PQSD), is information about businesses that are currently pre-qualified to supply goods and services to the Government of Canada and businesses and suppliers can reach more information here.
- **Cloud Service Provider Certification**: Cloud service providers seeking to supply federal agencies must obtain certification demonstrating adherence to rigorous cybersecurity and risk management requirements.
- **Public Services and Procurement Canada (PSPC) Supplier Registration:** PSPC manages the process through which businesses can register to provide goods and services to the Canadian government. A PSPC Supplier Registration is essential for businesses aiming to participate in public procurement.

In Canada, while there isn't a specific ISO certification mandated for all public procurement, certain **ISO standards** are highly recommended and sometimes required depending on the nature of the contract and the industry. Here are a few key ISO certifications that can be **beneficial for businesses participating in public procurement**:

- ISO 9001 (Quality Management Systems): This certification demonstrates a commitment to quality management and continuous improvement, which is often a requirement or a strong advantage in public procurement processes.
- ISO 14001 (Environmental Management Systems): This certification shows that a business is committed to environmental management and sustainability.
- ISO/IEC 27001 (Information Security Management Systems): For contracts involving sensitive information, this certification ensures that a business has robust information security management practices in place.
- ISO 45001 (Occupational Health and Safety Management Systems): This certification is important for businesses in industries where health and safety are critical, demonstrating a commitment to maintaining a safe working environment.

While these certifications are not universally mandated, they can significantly enhance a business's credibility and competitiveness in public procurement processes in Canada. It is advisable to review specific procurement requirements for each contract to determine if any particular ISO certification is required.

Private sector certification schemes

- **ISO certifications**
    - ISO 27001 (Information Security Management): Recognised across industries, this certification assures businesses and clients of robust information security controls.ISO 9001 (Quality Management Systems): Demonstrates a commitment to high-quality processes and continuous improvement, often a requirement in private-sector procurement.
    - ISO 14001 (Environmental Management Systems): Shows a commitment to environmental

sustainability, which is increasingly important in private-sector procurement.

- **SOC 2 (service organisation control 2) certification**: Frequently required in the technology and cloud computing sectors, SOC 2 certification ensures a company's data security policies align with industry best practices, making it a key factor in private-sector procurement decisions.
- **Corporate supplier certification programmes:** Many large corporations require suppliers to meet specific standards. Examples include:
    - **Loblaw Supplier Code of Conduct Compliance:** Mandates ethical sourcing and operational integrity from suppliers.
- **Environmental and sustainability certifications:** As sustainability becomes a critical factor in procurement, certain certifications are highly valued:
    - **LEED (Leadership in Energy and Environmental Design) Certification**: Recognised in infrastructure and construction projects for sustainable building practices.
    - **Energy Star Certification**: Required for energy-efficient products and technologies in both public and private procurement.
    - **Forest Stewardship Council (FSC) Certification:** Ensures products come from responsibly managed forests, highly valued in sectors like paper and wood products.
- **Supplier diversity certifications:** Many private-sector companies prioritise diversity in their supply chains, making these certifications advantageous:
    - **Canadian Aboriginal and Minority Supplier Council (CAMSC) Certification:** Recognised by major corporations to support minority-owned businesses.
    - **WEConnect International Certification**: Facilitates access to corporate supply chains for women-owned enterprises.
    - **Canadian Gay & Lesbian Chamber of Commerce (CGLCC) Certification:** Supports LGBTQ+ owned businesses in accessing corporate supply chains.
    - **Bell Supplier Diversity Programme:** Ensures quality, innovation, and diversity in supplier engagements.
    - The **Certified Indigenous Business (CIB)** certification by the Canadian Council for Aboriginal Business recognises companies that are at least 51% Indigenous-owned and controlled. It helps certified businesses access exclusive procurement opportunities, gain visibility in CCAB's network, and participate in training and networking events. To qualify, businesses must prove Indigenous ownership and heritage. This certification supports Indigenous entrepreneurship and economic growth.
    - The **IWSCC certification** recognises businesses that are at least 51% owned and operated by individuals with disabilities or veterans. It connects these certified suppliers with corporate and public sector buyers committed to diversity and inclusion. The certification enhances business visibility, credibility, and access to exclusive procurement opportunities, promoting economic growth and inclusive workplaces across Canada.
    - The **WBE Canada certification** recognises businesses that are at least 51% women-owned and operated. It increases visibility and credibility by connecting certified businesses with corporate and government buyers focused on supplier diversity. Certified companies gain access to exclusive networking, procurement opportunities, and resources to support women entrepreneurs.

2.4 Intellectual property (IP) protection

Intellectual property (IP) protection is a crucial consideration for EU SMEs and start-ups looking to engage in Canadian innovation procurement. Whether bidding for public sector contracts or entering private-sector partnerships, understanding how IP is regulated and protected under Canadian law is essential to safeguarding proprietary technology and maintaining competitive advantage.

How EU SMEs and start-ups fall under Canadian IP regulations

EU businesses operating in the Canadian market must comply with Canadian IP laws. This means they are subject to Canadian regulations, which govern intellectual property rights based on contract terms and applicable laws, overriding EU protections.

A key aspect for EU businesses is the contractual agreements they enter into. When negotiating with Canadian

government agencies or private corporations, EU SMEs and start-ups must carefully address IP ownership, licensing, and usage rights. These agreements determine the extent of IP protections and may require adjustments to retain control over their innovations. For example, IP ownership and licensing terms are typically defined in the contract, potentially granting Canadian entities certain rights over the EU company's intellectual property.

Canada follows a '**first-to-file' system for patent applications**, similar to the EU approach. This system grants patent rights to the first inventor who files a patent application with the **Canadian Intellectual Property Office (CIPO),** rather than the first to conceive the invention. The definition of prior art used in determining patentability includes public use, sales, publications, and other disclosures available to the public anywhere in the world before the filing date. Public disclosures made by the inventor within one year of filing are exempt from being considered prior art (the 'publication-conditioned grace period'). EU businesses seeking patent protection in Canada must prioritise early filing to secure their rights. Given these regulations, EU SMEs and start-ups should adapt their patent strategies accordingly to remain competitive in the Canadian market.

EU businesses developing innovative technologies, particularly those involving sensitive or dual-use technologies, may also face additional challenges in complying with Canadian export controls. Canada enforces stringent regulations such as the **Export and Import Permits Act (EIPA)** and the **Controlled Goods Programme (CGP),** which govern the export of certain technologies, including those that may have military or dual-use applications. For SMEs and start-ups in the EU working with defence-related innovations, these regulations require careful management of data and technology transfers to ensure compliance with Canadian export control laws. Failure to comply with these laws can result in significant legal and financial penalties, as well as restrictions on future collaborations or market access.

2.4.1IP protection in public sector procurement

EU SMEs and start-ups participating in Canadian public procurement must adhere to the **Canadian Free Trade Agreement (CFTA**) and, for defence-related contracts, the **Canadian Defence Procurement Strategy (DPS).** Under the Canadian Intellectual Property Strategy, if an EU business receives federal funding, such as through research grants or the **Industrial Research Assistance Programme (IRAP),** the Canadian government retains certain rights to use the innovation. Moreover, innovations developed under federally funded contracts may be subject to Canadian government "march-in rights", which allow the government to use or license the technology to third parties if the contractor does not commercialise it effectively. EU companies awarded federal contracts are also required to disclose inventions to the Canadian government and ensure they file for patent protection within a specified timeframe.

The Canadian government may claim "unlimited rights" over innovations that are developed entirely with federal funding, while "limited rights" apply when the contractor contributes private investment. To safeguard trade secrets, EU SMEs should utilise restrictive data rights clauses to prevent excessive disclosure of proprietary information. Furthermore, the Canadian Trade Secrets Act provides additional legal protections, reinforcing safeguards for businesses engaged in Canadian federal procurement contracts.

2.4.2 IP protection in private sector procurement

In private sector procurement, IP protection is principally governed by contractual agreements. As such, SMEs based in the EU must negotiate favourable terms when entering into agreements with corporations in Canada.

Ownership and licensing agreements represent critical components of these negotiations. Numerous large Canadian corporations insist upon ownership of any IP developed under supplier contracts. It is therefore essential for EU businesses to retain licensing rights or establish non-exclusive arrangements, thereby ensuring continued control over their proprietary technologies.

Non-disclosure agreements (NDAs) must be carefully crafted to comply with Canadian legal requirements, thereby safeguarding against the unauthorised use or disclosure of proprietary information. Adherence to the relevant legal frameworks will help prevent disputes and mitigate risks associated with the misappropriation of intellectual property. Special attention must be given to work-for-hire clauses. Such provisions often stipulate that IP ownership automatically transfers to the contracting Canadian company, unless explicitly negotiated otherwise. SMEs from the EU should remain diligent in reviewing contractual terms to prevent unintended transfers of ownership.

Securing patent protection in Canada necessitates filing with the **Canadian Intellectual Property Office (CIPO)**. EU businesses must be mindful of the differences in grace periods between Canadian and European patent regimes, as failure to align with these variations may jeopardise patent rights. The Canadian Trade Secrets Act provides a standard framework for the protection of trade secrets, complemented by provincial laws that enable enforcement. These legal instruments are vital in safeguarding confidential business information.

Many Canadian corporations incorporate intellectual property compliance requirements within their procurement processes. As such, EU businesses seeking to engage as suppliers must ensure adherence to these corporate IP policies in order to secure and maintain commercial partnerships within the Canadian market.

2.4.3 Key recommendations

To ensure effective IP protection when participating in innovation procurement within Canada, EU SMEs and start-ups are recommended to seek for legal advice at an early stage by engaging experienced Canadian legal professionals who can provide guidance on federal procurement regulations, contract negotiations, and the intricacies of Canadian patent law. Obtaining legal advice at the outset will enable businesses to navigate complex legal frameworks and safeguard their IP effectively.

Prior to entering negotiations with Canadian government agencies or private corporations, EU SMEs should secure patent protection in Canada. Filing for a Canadian patent at an early stage ensures that innovations are legally protected and mitigates the risk of unauthorised use or infringement.

During contract negotiations, it is crucial to establish robust contractual terms that prioritise the retention of IP ownership wherever possible. Licensing agreements should be carefully structured to preserve the rights of the innovator, while NDAs and restricted data rights clauses should be employed to safeguard trade secrets and proprietary information.

Compliance with Canadian regulations is another critical aspect of IP protection. EU businesses must familiarise themselves with relevant export control laws, cybersecurity requirements, and data protection regulations that could impact their intellectual property. A thorough understanding of these legal frameworks will help mitigate potential risks and ensure adherence to regulatory obligations.

Furthermore, EU SMEs may utilise the **European IP Helpdesk**, a first-line IP service providing free-of-charge support to assist European SMEs of EU-funded research projects in managing their IP in the context of transnational business or EU research and innovation programmes. This platform offers practical guidance on IP matters, and those with specific IP-related queries may submit their questions through their website. By adopting these measures, EU SMEs and start-ups can enhance their ability to protect their intellectual property while successfully engaging in innovation procurement within Canada.

3. Who are the key buyers, suppliers and potential partners in Canada?

Identifying and understanding the key buyers in Canada is crucial for businesses aiming to target the most relevant procurement opportunities. The market is primarily divided into public-sector buyers and private-sector buyers, each offering distinct opportunities and requirements.

3.1 Public sector buyers

In Canada, public sector procurement plays a pivotal role in the economy, encompassing a wide array of government agencies at the federal, provincial, territorial, and municipal levels. These entities are responsible for acquiring innovative technologies, services, and products to address specific needs in sectors such as defense, healthcare, infrastructure, and public safety.

Public procurement in Canada is a substantial economic force. Estimates suggest that it represents between 13% and 20% of the country's Gross Domestic Product (GDP)[11]. For instance, the Organisation for Economic Co-operation and Development (OECD) reports that public procurement accounts for an average of 12% of GDP in its member countries, with Canada slightly above this average at 13.4% in 2021[12]. Similarly, the Circular Innovation Council notes that public procurement in Canada amounts to approximately $200 billion annually, representing about 13% of GDP[13].

The federal government is a significant player in Canada's procurement landscape. **Public Services and Procurement Canada (PSPC)** manages the majority of federal procurement activities, overseeing a diverse range of contracts. Beyond the federal level, provincial, territorial, and municipal governments also engage in substantial procurement activities. At the **provincial and territorial levels**, governments are responsible for significant procurement related to healthcare and education, two core areas under their jurisdiction. This includes contracts for hospital construction and operation, pharmaceuticals, medical equipment, school infrastructure, and educational technology. Provinces and territories also oversee regional infrastructure projects, such as highways, public transit, and utilities, often centralizing procurement through specialized agencies to improve efficiency and reduce costs[14]. At the **municipal level**, procurement focuses on local infrastructure and essential services that support community well-being. Municipalities contract for public transit systems, water and waste management, emergency services (including police, fire, and EMS), road maintenance, and parks and recreation facilities. Procurement at this level often involves smaller-scale contracts but is vital for maintaining daily public services and local infrastructure projects[15]. These expenditures are directed towards sectors such as education, healthcare, local infrastructure, urban development, public safety, and local services. While specific percentages of GDP attributed to provincial and municipal procurement are not readily available, these levels of government collectively contribute significantly to public procurement, collectively representing a substantial portion of GDP.

Here below is an overview of some of the most important **public buyers** in Canada:

Table 1: Key Public buyers in Canada.[16]

Public buyer name	Description
Department of National Defence (DND)	The Department of National Defence (DND) is one of the largest purchasers of government contracts in Canada, allocating substantial funds annually to defence-related technologies. Its procurements span a wide range of advanced military systems, cybersecurity, aerospace technology, artificial intelligence, and more. Prominent buyers within DND include the Canadian Forces and Defence Research and Development Canada (DRDC).
Canadian Space Agency (CSA)	Purchases cutting-edge space and aerospace technologies, including satellite systems, propulsion, and robotics. CSA's procurement through various innovation programmes funds significant advancements in space technology. Estimated annual spend: substantial investment in space exploration and technology.
Natural Resources Canada (NRCan)	Focuses on energy-related innovations, including renewable energy technologies, energy efficiency, nuclear research, and clean energy solutions. Through programmes like the Clean Growth Programme and Energy Innovation Programme, NRCan invests significantly annually.

[11] Global Affairs Canada. (n.d.). *Government Procurement*. Retrieved from https://www.international.gc.ca/trade-agreements-accords-commerciaux/topics-domaines/gp-mp/index.aspx?lang=eng&utm_source=chatgpt.com

[12] Canadian Commercial Corporation. (n.d.). *Government Procurement Markets: What Canadians Need to Know*. Retrieved from https://www.ccc.ca/en/insights-for-exporters/government-procurement-markets-what-canadians-need-to-know/?utm_source=chatgpt.com

[13] Mission from Mars. (n.d.). *Public Procurement*. Retrieved from https://missionfrommars.ca/public-procurement/?utm_source=chatgpt.com

[14] Supply Ontario. (n.d.). *Home*. Government of Ontario. Retrieved July 10, 2025, from https://www.supplyontario.ca/

[15] Public Services and Procurement Canada. (2019, September). *Common contracting data standards across Canada* (Report on Milestone 2.4 under Canada's 2018–2020 National Action Plan on Open Government). Government of Canada. Retrieved July 10, 2025, from https://donnees-data.tpsgc-pwgsc.gc.ca/ba2/oc-co/ndcc-ccds-eng.html

[16] Please note that the key public buyers mentioned in this table can be found on CanadaBuys where they publish public innovation procurement tenders.

Public Services and Procurement Canada (PSPC)	Purchases a wide variety of IT solutions, services, and products across federal agencies. Responsible for managing procurement processes and ensuring transparency and efficiency.
Health Canada	Purchases healthcare technologies, medical devices, public health systems, and data solutions. Through various health initiatives and programmes, Health Canada spends significantly annually to advance healthcare innovation.
Canadian Centre for Cyber Security	Purchases innovations in cybersecurity, counterterrorism, emergency management, surveillance, enforcement systems, and infrastructure protection. Significant buyers include the Cyber Security Directorate, with substantial annual spending. Estimated annual spend: substantial investment in cybersecurity.
Infrastructure Canada	Purchases transportation infrastructure solutions, smart transportation systems, and autonomous vehicle technologies. Investments target safety, efficiency, and modernisation of transportation. Annual spending: substantial investment in infrastructure projects.
Environment and Climate Change Canada (ECCC)	Purchases clean energy technologies, pollution monitoring systems, and environmental protection tools. Focuses on climate adaptation, air and water quality monitoring. ECCC's annual procurement spend is substantial.
Provincial and Municipal Governments	Significant buyers for urban development, smart city initiatives, public safety, education, and health systems, with each province or city having distinct procurement needs. Total annual provincial and municipal spending is substantial, presenting significant potential for investment and partnerships. Clean energy and environmental sustainability initiatives are becoming increasingly prominent at the provincial level, with such projects emerging across provincial and municipal markets. Furthermore, smart transportation solutions are gaining momentum and are expected to continue expanding within these sectors.
Veterans Affairs Canada (VAC)	Procures advanced healthcare technologies and services for veterans. Focus areas include medical equipment, electronic health records, and telemedicine. Annual spending: substantial investment in veteran healthcare services.

3.2 Private sector buyers

Here are some of the largest **private sector companies** in Canada that play a major role in innovation procurement, leveraging advanced technology and strategic sourcing to drive efficiency, cost savings, and innovation across industries.

Table 2: Examples of Private buyers in Canada

Private buyer's name	Description
Loblaw Companies Limited	As one of the largest retailers in Canada, Loblaw uses innovation procurement to improve its supply chain management, enhance customer experience, and implement cutting-edge technology such as automation and AI for inventory and logistics.
Magna International	Magna is at the forefront of innovation procurement, sourcing cutting-edge technologies to build its automotive systems and solutions. They frequently procure AI, battery technologies, and autonomous vehicle solutions.
BlackBerry	BlackBerry is known for its strong emphasis on innovation, procuring the latest in cybersecurity, software, and cutting-edge technologies to maintain its competitive edge in the tech market.
Shopify	Shopify procures advanced technologies, particularly in AI, cloud computing, and data analytics, to support its vast e-commerce infrastructure and new product development.
OpenText	OpenText is an active buyer of innovative technologies, particularly around AI, cloud services, cybersecurity, and enterprise solutions, which are essential for its product and service development.

Bombardier	Bombardier actively engages in procurement of innovative solutions to modernise its manufacturing processes, particularly in digital industrial technologies, AI, and automation systems.
Intel Canada	As a major player in the semiconductor industry, Intel Canada procures innovative technologies related to AI, IoT, and advanced manufacturing processes to maintain its leadership in the tech space.
CAE Inc.	CAE is a significant buyer of innovation in defense and aerospace technologies, including advanced AI, autonomous systems, and simulation technologies for its military and aviation operations.
Lululemon	In 2021, Lululemon partnered with Geno, LanzaTech, and ZymoChem to develop sustainable materials—plant-based nylon, carbon-recycled polyester, and biobased nylon 6,6—advancing its goal to reduce reliance on fossil fuels and support circularity in apparel.
Suncor Energy	Suncor invests heavily in procuring innovative solutions for energy production, focusing on green technology, energy efficiency, and carbon capture solutions.
Caterpillar Canada	Caterpillar Canada procures advanced technologies to improve its heavy machinery, including automation, robotics, and telematics to enhance operational efficiency and sustainability in its manufacturing process.
Arc'teryx	Arc'teryx is a leader in procurement of innovative manufacturing techniques, AI, and sustainable technologies to create advanced performance apparel and footwear.
Johnson & Johnson Canada	J&J Canada procures innovative healthcare technologies to advance medical devices, pharmaceuticals, and consumer health products. They focus on AI, biotechnology, and medical robotics.
Rogers Communications	Rogers drives innovation by strategically sourcing advanced telecom technologies: it collaborates with Ericsson's Startup 5G programme to co-develop consumer and enterprise-grade 5G applications. It also deployed 5G Advanced (RedCap) technology from Ericsson to support next-gen IoT devices efficiently. A high-profile alliance with Microsoft Azure enables hybrid workplace tools via Operator Connect Mobile, enhancing internal agility and enterprise-level communications platforms
Procter & Gamble Canada (P&G)	P&G Canada is a leading innovator in consumer goods procurement, focusing on sustainable packaging, AI in marketing, and digital solutions in product development and customer service.
AbbVie Canada	AbbVie Canada actively engages in the procurement of biotech, AI, and genomic research technologies to advance its pharmaceutical development pipeline.
PepsiCo Canada	PepsiCo Canada procures innovative food and beverage manufacturing technologies, focusing on automation, sustainable packaging, and AI-based consumer insights.

3.3 Key suppliers

In the Canadian innovation procurement market, there are both local and international suppliers that provide advanced technologies and solutions. Local suppliers, such as BlackBerry, Shopify, OpenText, and Magna International, are based in Canada and lead the market in areas like cybersecurity, e-commerce, enterprise solutions, and automotive technologies. On the other hand, international suppliers like Siemens and SAP are headquartered outside Canada but have a strong presence in the country, offering innovative solutions and competing with local firms. These international suppliers offer global expertise and advanced technologies, making them important contributors to the Canadian market.

3.4 Soft-landing and ecosystem support

Soft-landing programmes provide a smooth transition for EU SMEs and start-ups into the Canadian market by offering logistical, legal, and business development support. Many Canadian cities have incubators and accelerators that help foreign start-ups by providing office space, mentorship, and access to Canadian business networks. Programmes like **MaRS Discovery District**, **Communitech**, and **District 3 Innovation Centre** help companies with everything from initial market entry to scaling operations. In addition, several companies, including Google Canada and Microsoft Canada, offer programmes designed to fund the development of MVP (Minimum Viable Product) solutions, particularly for small businesses.

Soft-landing programmes assist with understanding Canadian market regulations, procurement processes, and compliance requirements. They help businesses prepare for both public and private sector procurement, including navigating federal and provincial-level regulations. These programmes create networking opportunities, thus connecting EU SMEs to potential Canadian partners, investors, and clients. They offer events, conferences, mentorships, and introductions to business leaders and decision-makers in both the private and public sectors.

Ecosystem support refers to the network of resources and services that EU SMEs and start-ups can tap into to enhance their innovation procurement efforts in Canda.:

- **Government and private sector support:** Various Canadian government agencies, including **Innovation, Science and Economic Development Canada (ISED)** and **Global Affairs Canada,** offer programmes aimed at assisting foreign businesses with procurement opportunities. Private sector organisations like the **Canadian Chamber of Commerce** and **Business Development Bank of Canada (BDC)** also offer support to help businesses connect with the right procurement opportunities.
- **Funding and grants:** There are many opportunities for EU companies to access funding, especially for innovation-driven procurement. For instance, the Industrial Research Assistance Programme (IRAP) provides Canadian government funding to small businesses involved in research and development. These programmes encourage innovation and commercialisation of technology.
- **Procurement training:** Some Canadian organisations offer training programmes to help international companies understand the procurement process. These trainings can focus on everything from how to submit bids to how to navigate federal, provincial, or municipal procurement systems. Many Canadian provinces also offer trainings for interested businesses, in which those who are interested may find more information on the individual province or city's websites. The **Canada-Europe Economic Chamber (CEEC)** and other similar institutions provide workshops tailored to helping foreign companies succeed in Canadian procurement.

For EU SMEs and start-ups looking to expand into the Canadian market, several soft-landing programmes and ecosystem support initiatives are available. These programmes help businesses navigate the complexities of market entry, establish valuable connections, and access procurement opportunities. Here are some key examples:

- **Enterprise Europe Network (EEN):** EEN helps EU businesses internationalise by connecting them with Canadian companies, offering access to both public and private procurement opportunities, and guiding them through Canadian regulations and market dynamics.
- **ScaleUp Canada:** This initiative is designed to assist European start-ups in scaling internationally. It focuses on Canadian market entry, helping businesses build relationships with Canadian investors, companies, and government agencies, ensuring they are well-equipped to succeed.
- **Eureka Network:** The Eureka Network fosters collaboration between European and Canadian companies to drive innovation and procurement opportunities. It provides SMEs with access to Canadian R&D funding and procurement contracts, enabling them to expand their footprint in the Canadian market.
- **EIC soft-landing programme**: It is a business acceleration service that provides customised guidance and the adequate tools for EIC awardees who have launched and gained traction abroad and want to expand to a new market since 2024.

3.5 European companies: success stories

As an EU SME or start-up looking to expand your business and tap into the vast Canadian market, understanding how to navigate both public and private procurement opportunities can be a game-changer. Canada offers immense potential, with a thriving innovation ecosystem that actively seeks cutting-edge solutions across various industries. Many European businesses have already made successful inroads into the Canadian market by leveraging procurement opportunities, building strategic partnerships, and offering innovative products and services.

To inspire and guide you in your journey, we've compiled a list of successful EU SMEs and start-ups that have effectively accessed Canadian procurement opportunities. Success stories like **Spotzi** and **Kingspan** showcase how companies from various sectors—ranging from cybersecurity and fintech to renewable energy and smart cities—have overcome barriers and made a significant impact in both the public and private sectors. By learning from these examples, you can gain insights into how to position your business for success and explore the numerous opportunities available in the

Canadian procurement landscape.

Company	Country	Sector	Success story
Swoop	Ireland	FinTech	Swoop is an Irish fintech company that assists SMEs in accessing funding through AI-driven platforms. Backed by Enterprise Ireland, Swoop has expanded its operations to Canada, the UK, Ireland, Australia, and South Africa.
Wise (formerly TransferWise)	Estonia	FinTech	Wise gained traction in Canada by partnering with large financial institutions and tapping into cross-border payment services for both public and private procurement.
KingSpan	Ireland	Manufacturing	Kingspan Group plc is a global leader in high-performance insulation and building envelope solutions, headquartered in Ireland. invests heavily in research and development, and cutting-edge technologies to enhance product performance and building sustainability.
Pry Financials	Finland	SaaS/Financial software	Pry Financials entered the Canadian market by offering financial planning software to Canadian start-ups, securing procurement opportunities with tech firms and scaling within the Canadian market.
Vestas	Denmark	Renewable Energy	Vestas established a strong presence in Canada by supplying wind energy solutions. They have partnered with Canadian energy companies to develop and expand wind farms across the country.
Adyen	Netherlands	Fintech	Adyen expanded into the Canadian market by providing payment processing solutions to Canadian retailers and e-commerce platforms, enhancing transaction efficiency and security.
TomTom	Netherlands	Geolocation Technology	TomTom secured contracts with Canadian transportation agencies to provide advanced geolocation and navigation solutions, improving traffic management and urban mobility.
Spotzi	Netherlands	Tech	Spotzi is a geomarketing and location intelligence company that empowers businesses to make data-driven decisions through advanced mapping, audience profiling, and targeting tools.

4. How do I explore public and private tender opportunities?

To find public and private innovation procurement tenders in Canada, there are several methods you can use, depending on whether you're looking for government (public) or private sector opportunities.

4.1 Public tenders

Public sector tenders are primarily issued by government agencies, and there are established platforms and methods to access these opportunities.

- **CanadaBuys:** This is the primary platform for federal government procurement opportunities in Canada. CanadaBuys lists contracts, grants, and other procurement opportunities related to various sectors, including innovation, technology, and research. To find relevant tenders, you can search using specific keywords related

to innovation, such as "technology," "R&D," or "research." You can register your business here to receive notifications about relevant tenders.

- **Provincial and municipal government portals:** Each Canadian province and many municipal government agencies have their own procurement websites where they list tenders and RFPs. These websites often focus on regional projects, including innovation tenders for local infrastructure, tech development, and more. You can search by province or city-specific procurement sites. For example, **Ontario Tender Portal**, **British Columbia** and Toronto Purchasing and Material Management.
- **Innovation funding programmes**: Canada offers various funding programmes for innovation in the public sector. These programmes provide grants and contracts for innovative research, particularly in areas like technology, healthcare, and environmental sustainability.
    - Industrial Research Assistance Programme (IRAP): Provides advisory services and funding to help Canadian small and medium-sized enterprises (SMEs) undertake technology innovation.
    - Strategic Innovation Fund (SIF): Supports large-scale, transformative projects that drive innovation and economic growth in Canada.
- **Government conferences and networking events**: Attending government-hosted procurement events and industry-specific conferences is an excellent way to learn about upcoming tenders. These events often provide information about the government's innovation needs and upcoming projects, where tenders may be announced. Examples include:
    - **Canadian Public Procurement Council (CPPC) Annual Forum:** A platform for procurement professionals to share knowledge and best practices.
    - **Innovation Canada Events:** Various events focused on innovation and collaboration between government and industry.

4.2 Private tenders

Private sector tenders are issued by businesses and corporations looking for innovative solutions to enhance their operations. These opportunities can be harder to find due to less public transparency, but there are still platforms and networks where they are advertised.

- **MERX:** This platform aggregates public and private sector tenders. Although it includes government contracts, it also lists RFPs and procurement opportunities from private businesses across various industries. You can filter your search to focus on private-sector innovation-related tenders.
- **ThomasNet:** Platforms like ThomasNet are excellent resources for businesses seeking private sector tenders. They list RFPs and innovation needs from a wide range of industries, including manufacturing, technology, and services. You can search for tenders by sector and innovation focus.
- **Innovation hubs and accelerators:** Many sectors have innovation hubs, accelerators, or incubators where private companies post RFPs for new technologies or innovative solutions. For example, accelerators like **MaRS Discovery District** focus on startup innovations and often list tenders from private businesses in the tech space.

5. How do I apply for public and private tenders?

This section provides a structured guide for businesses seeking to participate Canada public and private tender processes, outlining the key steps, requirements, and strategies for successful application.

5.1 Public tenders

Step 1: Find opportunities

- Federal: Search for tenders on CanadaBuys (contracts), Innovation Canada (funding), and various government challenge platforms. Agencies like the National Research Council (NRC), Canadian Space Agency (CSA), and

Health Canada also post specific innovation tenders.
- Local (Provincial/Municipal): Check provincial/municipal procurement websites (e.g., Ontario Tenders Portal, BC Bid, City of Toronto Purchasing). Some provinces use cooperative purchasing agreements.
- **Enterprise Europe Network Platform** for partnering opportunities across the region.
- Tip: To stay informed, consider subscribing to email alerts for each of these sites.

Step 2: Check eligibility
- Federal: Some contracts allow foreign applicants, while others require a Canadian partner or subsidiary. Innovation programmes like IRAP often require Canadian small business participation.
- Local: Rules vary—some provinces allow direct foreign participation, while others require a local business registration or partnership.

Step 3: Register your business
- Federal: Register on the CanadaBuys platform to get a Procurement Business Number (PBN). Defence-related contracts may also require registration with the Controlled Goods Programme.
- Local: Many provinces require vendors to register with a provincial procurement system or obtain a business license.

Step 4: Identification of the procurement method
- Institutions will procure goods and services through a variety of methods. The formal request processes may include, but are not limited to, the following:
    - Invitation to Tender (ITT);
    - Request for Qualifications (RFQ);
    - Request for Bid (RFB);
    - Request for Proposal (RFP);
    - Request for Information (RFI).

Step 5: Prepare & submit a proposal[17]
- Follow the tender's guidelines for technical, financial, and compliance sections.
- Ensure your proposal meets innovation-specific requirements.
- Consider Canadian legal or procurement consulting for compliance.

Step 6: Comply with Canada regulations
- Federal: Follow federal procurement laws (FAR, DFARS for defense). Check export regulations (ITAR, EAR) if dealing with technology.
- Local: Compliance depends on state-specific laws but generally involves contract performance monitoring and reporting.

5.2 Private tenders

Step 1: Search for tender opportunities
- Look for private innovation procurement opportunities that match your business sector. You can find these on platforms such as MERX (for both public and private sector tenders) or directly on the procurement portals of private companies. Additionally, explore industry-specific websites, tech forums, and innovation hubs that post tenders and requests for proposals (RFPs).

Step 2: Check eligibility

[17] A useful tip when presenting your procurement offer is to always consider that the evaluation criteria may include, in no particular order of preference, factors such as the proposed rates, estimates, and pricing. The tenderer's expertise in providing similar products will also be assessed, alongside their health and safety performance. The use of local subcontractors by the tenderer is another important consideration, as well as their ability to meet any required dates specified for deliverables. Additionally, experience in projects similar to the one being tendered for, as well as the management and execution protocols for the delivery of goods, will be evaluated. Furthermore, the management systems and project controls that the tenderer intends to utilise for providing equipment or materials will also be taken into account.

- Before applying, ensure you meet the eligibility criteria outlined in the tender. Some private procurement opportunities may have restrictions on foreign entities. Verify that the tender allows participation from Canadian SMEs/startups and check for any other specific requirements, such as a local presence or security clearance.

Step 3: Register your company

- For private companies, follow their individual registration process. Additionally, obtain a Procurement Business Number (PBN), as it is often required for official procurement registration in Canada.

Step 4: Identification of the procurement method

- Institutions will procure goods and services through a variety of methods. The formal request processes may include, but are not limited to, the following:
    - Invitation to Tender (ITT);
    - Request for Qualifications (RFQ);
    - Request for Bid (RFB);
    - Request for Proposal (RFP);
    - Request for Information (RFI).

Step 5: Prepare your proposal

- Thoroughly review the tender documents and guidelines to fully understand the requirements. Your proposal should include a detailed description of your innovation, its technical feasibility, budget, timelines, and any other requested information. Ensure you follow the formatting instructions carefully and provide all required documentation to increase the likelihood of your proposal being selected.

Step 6: Ensure compliance with Canadian laws

- Before submitting your proposal, verify that your business and technology comply with Canadian regulations, particularly export control laws if dealing with sensitive technologies. These laws govern the export of sensitive technologies and could affect your eligibility or ability to fulfil the contract.

Step 7: Consider partnering with Canadian companies

- If required or beneficial, you might consider forming a local partnership or entering into a teaming agreement with a Canadian-based company. This can help you navigate local requirements, increase your credibility, and provide additional resources to support your proposal.

Step 8: Submit your proposal[18]

- Submit your proposal in accordance with the tender instructions, ensuring you meet the deadline. Double-check that all required documents are included and confirm the submission. Retain a record of your submission confirmation for future reference and follow-up.

Step 9: Monitor and follow-up

- After submitting your proposal, monitor the status of your application. You may be asked to provide additional information, attend meetings, or make adjustments to your proposal. Stay proactive in communication and be prepared to respond to any requests for clarification or further negotiations.

[18] A useful tip when presenting your procurement offer is to always consider that the evaluation criteria may include, in no particular order of preference, factors such as the proposed rates, estimates, and pricing. The tenderer's expertise in providing similar products will also be assessed, alongside their health and safety performance. The use of local subcontractors by the tenderer is another important consideration, as well as their ability to meet any required dates specified for deliverables. Additionally, experience in projects similar to the one being tendered for, as well as the management and execution protocols for the delivery of goods, will be evaluated. Furthermore, the management systems and project controls that the tenderer intends to utilise for providing equipment or materials will also be taken into account.

Receive free procurement assistance in Canada thanks to the EIC Innovation Procurement programme powered by SPIN4EIC

The EIC Innovation Procurement Programme powered by SPIN4EIC presents an exciting, **free-of-charge opportunity** for European SMEs and start-Ups backed by the European Innovation Council (EIC) to scale their businesses and access global markets.

Learn more about the EIC and how to become an EIC beneficiary **here**.

SMEs and start-ups who are already supported by the EIC (or have received a Seal of Excellence or were supported by the SME Instrument) are strongly encouraged to apply for procurement assistance via the SPIN4EIC initiative. Seize this opportunity by answering this **Open Call for assistance**. The EIC Innovation Procurement Programme powered by SPIN4EIC provides invaluable support, including specialised training, networking, and matchmaking, alongside personalised assistance throughout the tendering process, from procurement strategy development to hands-on tender assistance and legal matters.

Check out the **SPIN4EIC web page** and do not hesitate to contact the SPIN4EIC team if you have any questions.

Annex 1: General information on Canada and its economy

As one of the top ten economies in the world, Canada offers a wealth of business opportunities for international companies, with a GDP of over $2 trillion in 2024[19]. For EU SMEs, Canada represents a dynamic and diverse market, characterised by strong consumer spending, technological innovation, and robust demand for high-quality goods and services. The federal government and private sectors provide significant procurement and partnership opportunities across industries such as technology, healthcare, clean energy, and manufacturing.

However, entering the Canadian market requires careful consideration of its regulatory landscape, competitive nature, and regional diversity. EU SMEs must adapt to varying provincial laws, differing business practices, and cultural expectations. Understanding these factors is essential for accessing the short- and long-term potential of this highly rewarding yet competitive market.

The government

Canada is one of the countries that spends significantly on public procurement in the world. In the 2023 fiscal year, the Canadian federal government allocated approximately CAD 25 billion for public procurement contracts[20]. Canada currently has a population of 41,5 million[21], with Ontario being the most populated province, followed by Quebec[22] The capital of Canada is Ottawa, which is located in Ontario and is known for being the political centre of the country[23]. While Toronto as the most populated city[24] and the political capital of the country, it is the national hub with the headquarters of some of the country's most profitable companies based there such as Royal Bank of Canada, and Shopify[25]. When discussing public procurement, it is fundamental to understand the different levels of government that exist to understand the different types of public buyers.

The Federal Government of Canada is the national government of Canada established in 1867. The federal government consists of three main branches of government: the legislative, executive, and judicial. The legislative branch is comprised of two houses: the Senate and the House of Commons, collectively forming the Parliament of Canada. As per the Constitution, the Parliament has the sole power to enact legislation[26]. There are 338 elected members in the House of Commons, distributed among the provinces and territories based on population size. The second chamber is the Senate, which has 105 members appointed by the Governor General on the advice of the Prime Minister[27]. The Executive Branch is led by the Prime Minister who is the head of government. Their main role is to lead the Cabinet, implement laws, and provide recommendations to Parliament[28]. Finally, the Judicial Branch allows for the implementation of the law and is led by the Supreme Court of Canada, whose principal function is to interpret constitutional and federal law[29] Additionally, there are numerous federal courts in Canada, including the Federal Court, the Federal Court of Appeal, and

[19] "The 20 countries with the largest gross domestic product (GDP) in 2024", Statista, 2024. Statista

[20] Public Services and Procurement Canada, "Annual Report on Government of Canada Procurement," Canada.ca, March 2023, https://www.tpsgc-pwgsc.gc.ca/app-acq/rapport-report-eng.html.

[21] Statistics Canada. (2025). *Table 17-10-0009-01: Population estimates on July 1st, by age and sex* [Data table]. Government of Canada. Retrieved July 10, 2025, from https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1710000901&cubeTimeFrame.startMonth=01&cubeTimeFrame.startYear=2024&cubeTimeFrame.endMonth=04&cubeTimeFrame.endYear=2025&referencePeriods=20240101%2C20250401

[22] Statistics Canada, "Population Estimates, Quarterly," StatCan.gc.ca, January 2024, https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1710000901

[23] Encyclopædia Britannica, "Ottawa | History, Facts, & Points of Interest," Britannica.com, 2023, https://www.britannica.com/place/Ottawa.

[24] Data Commons. (n.d.). *Population of cities in Canada*. Retrieved July 10, 2025, from https://datacommons.org/ranking/Count_Person/City/country/CAN?h=wikidataId%2FQ826427

[25] Fortune, "The Top 15 Canadian Cities in the Fortune 500 by Revenue," Fortune, May 2023, https://fortune.com/longform/fortune-500-companies-revenue-canadian-cities-business-revenue/.

[26] Parliament of Canada, "The Legislative Branch," Parliament of Canada, 2021, https://learn.parl.ca/understanding-comprendre/en/canada-system-of-government/the-branches-of-government/

[27] Parliament of Canada, "The Senate," Parliament of Canada, https://sencanada.ca/en/about/

[28] Parliament of Canada, "The Legislative Branch," Parliament of Canada, 2021, https://learn.parl.ca/understanding-comprendre/en/canada-system-of-government/the-branches-of-government/

[29] Supreme Court of Canada, "About the Supreme Court," Supreme Court of Canada, 2023, https://www.scc-csc.ca/home-accueil/index-eng.aspx.

the Tax Court of Canada[30].The federal level usually deals with issues such as national defence, foreign policy, interprovincial trade, and currency regulation.

In Canada, the next level of government is the provincial and territorial level. There are 10 provinces and 3 territories in Canada, with the most recent being Newfoundland and Labrador. The provincial and territorial governments mirror the federal government, which includes all three branches of government and a provincial or territorial constitution. The Provincial Executive is headed by the Premier, who is the leader of the party with the most seats in the provincial legislature. Like the federal level, the provinces have a unicameral legislative branch, which is made up of elected representatives voting on provincial issues. The provinces usually govern on issues such as education, healthcare, transportation, and natural resources. The territories of Canada are sub-national administrative divisions overseen by the federal government. Unlike provinces, these territories are not sovereign entities, and federal laws supersede territorial laws where applicable policies conflict. The territories of Canada include Yukon, Northwest Territories, and Nunavut[31]

Each province can establish a local government to support the implementation of its constitutional powers. The local governments include two tiers (regional municipalities and local municipalities). Across Canada, depending on the province, local government can take many different forms with thousands of local government units. Local municipalities are the biggest type of local democracy, with the City of Toronto having the most residents, approximately 2.9 million[32]. Yet, municipalities can also be smaller, with places like the Village of Zeballos in British Columbia having fewer than 200 residents[33] These municipalities usually address parks, libraries, police departments, and more. The key difference between provincial/territorial government and local government is that powers need to be granted by the province or territory.[34]

The economy & main sectors

The Canadian government presents a wide range of information regarding its economy, as shown in the below industries.

In Canada, **healthcare** is one of the most lucrative and important sectors for its economy, estimated to generate up to CAD 300 billion in 2024, encompassing hospitals, pharmacies, and insurance companies. It additionally represented 11.5% of Canada's GDP in 2021[35]. Some of the biggest companies include Shoppers Drug Mart, Manulife Financial Corporation, and Sun Life Financial[36]From the years 2008 until 2018, when other sectors in Canada were greatly affected by the global financial crisis, the healthcare sector remained strong, growing consistently. Additionally, from 2018 to 2028, the projection is that it will have grown at roughly 4.5% per year. Currently, over 2.7 million people are employed by the healthcare industry in Canada, accentuating its importance across the country. Within healthcare, Canada has a significant pharmaceuticals market, known for its pharmaceuticals sector with companies such as Apotex and Bausch Health. In 2021, the Canadian market's annual turnover was roughly CAD 30 billion. The sector also employs up to 30,000 people across over 500 pharmaceutical companies. Overall, the healthcare sector is very profitable in Canada for companies.

The Canadian **technology** sector is known worldwide for its high-quality Software as a Service (SaaS) products, hardware products, and the vibrant tech start-up community, particularly in cities like Toronto, Vancouver, and Montreal. The technology sector accounts for roughly 5% of Canada's GDP. Many companies such as Shopify, BlackBerry, CGI, and OpenText are Canadian companies that make up a significant percentage of the international market, earning them recognition in the global tech industry. There are currently over 43,000 software and IT-services companies in Canada[37], employing around 900,000 people with a projected 8.7% increase in tech occupations by 2030. Additionally, according to the ICTC (Information and Communications Technology Council) report, the tech sector was a top economic

[30] Federal Court of Canada, "Court Role and Structure," Federal Court of Canada, 2023, https://www.fct-cf.gc.ca/en/home.
[31] Government of Canada. (n.d.). *Canada.ca*. Retrieved from https://www.canada.ca/en.html
[32] Statistics Canada, "Population Estimates, Quarterly," StatCan.gc.ca, January 2024, https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1710000901.
[33] Village of Zeballos, "About Zeballos," Zeballos.com, 2024, ABOUT ZEBALLOS | Village of Zeballos
[34] "Overview of the Canadian Parliamentary System | Our Country, Our Parliament". lop.parl.ca. Archived
[35] IBISWorld. (n.d.). *Hospitals in Canada*. Retrieved from https://www.ibisworld.com/canada/industry/hospitals/1587/
[36] IBISWorld. (n.d.). *Hospitals in Canada*. Retrieved from https://www.ibisworld.com/canada/industry/hospitals/1587/
[37] Government of Canada, "Canadian ICT Sector Profile," ISED, 2023, Digital Technologies/ICT,

contributor in several provinces, including Ontario and British Columbia[38]. The dynamic, cross-sectoral nature of the tech sector allows for it to affect other industries in Canada such as health, finance, education, and more. Canada has been known as an "innovation powerhouse," with some of the top technology-based universities such as the University of Waterloo and the University of Toronto, and significant tech start-up investment.

The **construction** industry is a vital economic driver, fostering job creation, bolstering supply chains, encouraging investment, and stimulating growth in other sectors. In Canada, construction employs over 1.6 million people, generating a ripple effect of employment in related fields such as engineering, manufacturing, technology, and retail. Annually, the industry contributes approximately CAD 151 billion to the economy, representing 7.4% of Canada's gross domestic product (GDP)[39].

The **retail sector** in Canada is a crucial component of the economy, generating up to CAD 680 billion of Canada's GDP and CAD 120 billion in direct labor income in 2021[40]. The sector encompasses over 143,000 enterprises across various sub-sectors such as grocery stores, clothing retailers, and home improvement centres. Two of the most prominent retailers in Canada are Loblaw Companies Limited, which earned CAD 53 billion in revenue, and Metro Inc., generating CAD 18 billion in revenue in 2022[41]. Currently, there are 2.1 million people directly employed by the retail sector, and according to Retail Council of Canada's 2024 annual report, 4.5 million jobs are supported by retail, highlighting the significant ripple effect of the sector[42].

Canada, while not as large as the U.S. in terms of its tech ecosystem, has increasingly become a prominent player in the global innovation landscape. Canada offers a unique combination of a highly educated workforce, supportive regulatory frameworks, and a growing culture of innovation. The Canadian government is committed to fostering technological advancements and supporting start-ups through programmes such as Innovative Solutions Canada (ISC) and funding from the National Research Council (NRC). Canada's tech hubs, such as Toronto, Vancouver, Montreal, and Ottawa, have become key centres for innovation. Toronto, for example, is consistently ranked as one of the top cities for tech startups, with a robust ecosystem valued at $18 billion, according to recent reports[43]. Montreal is a global leader in artificial intelligence, bolstered by world-class institutions like **MILA (**Quebec Artificial Intelligence Institute) and strong corporate partnerships.

Canada is also home to several unicorns (companies valued at over $1 billion), including companies like Shopify and Lightspeed. Additionally, Canada offers an environment where entrepreneurs and tech companies can thrive with strong public funding, such as through The **Canadian Innovation Superclusters Initiative,** which focuses on boosting innovation in key areas like artificial intelligence, digital industries, and advanced manufacturing.

Canada's commitment to innovation extends to its supportive regulatory environment, which encourages risk-taking and experimentation while ensuring that new technologies are developed responsibly. These efforts, combined with a diverse talent pool and strong international connections, place Canada on the global map as an emerging hub for innovation.

Annex 2: Cultural considerations in Canada

A successful entry into Canada procurement market requires an understanding of the cultural landscape, which is vital for building lasting relationships with clients, suppliers, and partners. A nuanced appreciation of cultural considerations can help EU SMEs navigate the complexities of Canada business environment more effectively.

[38] Information and Communications Technology Council. (2023). *Annual Report 2023-2024*. Retrieved from https://ictc-ctic.ca/sites/default/files/documents/Annual%20Report%202023-2024.pdf

[39] Canadian Construction Association. (n.d.). *Value of Industry*. Retrieved from https://www.cca-acc.com/about-us/value-of-industry/

[40] Statista. (n.d.). *GDP for Retail Trade in Canada*. Retrieved from https://www.statista.com/statistics/858030/gdp-for-retail-trade-in-canada/#statisticContainer

[41] Market Beat. (n.d.). *Loblaw Companies Limited Stock Forecast*. Retrieved from https://www.marketbeat.com/stocks/TSE/L/forecast/

[42] Retail Council of Canada. (n.d.). *RCC's Retail Pulse Dashboard: Overview*. Retrieved from [Retail Council of Canada website] (https://www.retailcouncil.org)

[43] Startup Genome. (n.d.). *Startup Ecosystem Rankings*. Retrieved from https://startupgenome.com/

Respect for diversity and cultural sensitivity

Canada is one of the most diverse countries globally, with a multicultural population encompassing a wide range of ethnicities, religions, languages, and backgrounds. Businesses in Canada are often evaluated not just on the quality of their products or services but also on their commitment to Diversity, Equity, and Inclusion (DEI). Many Canadian companies, particularly in public procurement, prioritise working with suppliers who actively promote diversity within their workforce and business practices.

However, the national discourse surrounding DEI is currently evolving. While DEI remains an important priority, it has become a more complex and rapidly changing topic. Some companies are reconsidering or adjusting their DEI commitments in response to various societal and political pressures. As a result, DEI may not be as dominant a focus as it once was, even as recently as a year ago.

For EU SMEs, it remains essential to demonstrate a commitment to equal opportunity employment, inclusivity, and minority representation to gain a competitive edge in the Canadian market. Highlighting partnerships with underrepresented groups, diverse hiring policies, and adherence to anti-discrimination standards can still enhance credibility and appeal. However, it is advisable to approach this priority with a nuanced understanding, recognising that its significance may vary.

Respect for diversity in Canada extends to compliance with anti-discrimination laws, such as the Canadian Human Rights Act. SMEs should familiarise themselves with these laws and ensure their business practices align. Demonstrating adherence to these standards during procurement or partnership discussions reflects cultural sensitivity and positions the business as a credible and ethical partner.

Certain topics should be avoided in business discussions to maintain professionalism and respect. In Canada, these topics often include politics and religion, especially in such a divisive period in global politics. That said, in many online commentaries, alternative arguments regarding diversity and inclusion are changing this narrative, and some think these topics should be spoken about in a business setting. Sometimes, however, it is better to be safe than sorry and have some small talk questions or topics prepared to avoid unnecessary conflict.

Business etiquette and hierarchical structures

While Canada operates as a single market, cultural norms and business practices can vary significantly by region. Understanding these differences can help EU SMEs adapt their approach effectively:

- Atlantic Canada: Known for its friendly and community-oriented mindset.
- Quebec: Emphasised politeness, relationship-building, and a distinct cultural identity.
- Ontario: Defined by a fast-paced and results-driven business culture.
- Western Canada: Reflects a practical and collaborative approach to business.
- Northern Canada: Values resilience and adaptability, with strong community ties.

Recognising these regional variations allows EU SMEs to tailor their communication and strategies to resonate with local expectations. Canadian business culture values direct yet courteous communication. Transparency, responsiveness, and punctuality are essential for building trust. Hierarchies are often less rigid, with decision-making frequently involving collaboration across teams. SMEs should adapt to this dynamic, maintaining professional yet approachable interactions.

In terms of etiquette, greetings in Canadian business settings are typically informal compared to many European norms. A handshake, smile, or simple "hello" is common. While first names are widely used in most workplaces, addressing someone as “Mr.” or “Ms.” upon introduction is considered respectful until otherwise indicated. Adapting to these practices will facilitate smoother interactions and foster strong relationships in the Canadian market.

Business hours, punctuality, and holidays

In Canada, federal regulations mandate a maximum working week of 40 hours, although this can vary by province. Working hours typically range from 35 to 40 hours per week, as per the June 2024 report from Statistics Canada on

Canadian time use from 2023[44]. Additionally, federal regulation requires employers to provide paid leave, with the standard being two weeks of paid vacation after one year of employment, increasing to three weeks after five years. Some provinces have legislation allowing for additional paid time off. These include Quebec, Ontario, and British Columbia. In some companies, the policy of unlimited paid time off has become popular. As long as the employee meets the expectations and coordinates with other employees to ensure their time off does not affect their work, they have an unlimited amount of time off[45].

In Canada, life is often lived at a balanced pace compared to other regions, where the term "work-life balance" is highly valued. Punctuality and efficiency are important; therefore, meetings are typically straightforward and to the point.

Since the onset of Covid-19, remote working, or "working from home," has become significantly more prevalent among companies in Canada. As of 2024, 20% of Canadian companies operate fully remotely, with an estimated 5 million Canadians expected to be working remotely by 2025. This shift is an important consideration when establishing relationships with subcontractors or different "primes" (the primary contracting company in a tender)[46].

However, return-to-office (RTO) policies are currently a highly debated topic. Remote work is facing increasing challenges in both the public and private sectors, with many organisations bringing employees back into the office in large numbers.[47] This trend is likely to affect future contracting strategies and the flexibility of working arrangements in both the short and medium term.

Language considerations

When European SMEs engage in business with Canadian companies or counterparts, understanding and navigating language considerations is critical to building strong relationships and ensuring effective communication.

First and foremost, while English is the primary language used in business in Canada, SMEs should be mindful of differences between Canadian and British English. Spelling, vocabulary, and even phrasing can differ significantly. For instance, words like "schedule," "quotation," or "turnover" may carry distinct connotations or usage depending on the variation of English employed. Adopting Canadian spelling and terminology, when appropriate, can demonstrate cultural awareness and make communication smoother.

Additionally, French is an official language in Canada, and it used particularly in Quebec. SMEs should consider the importance of bilingual communication and, where possible, provide materials in both English and French. The mention of Indigenous culture in Canada highlights the importance of preserving its presence, and while English and French remain the official languages, incorporating Indigenous languages in products or services targeting niche markets can promote broader cultural representation. This can enhance accessibility and demonstrate respect for Canada's linguistic diversity[48].

Tone and style of communication are also important. Canadians tend to prefer polite and respectful language, especially in written communication. While directness is valued, overly informal or blunt phrasing may be perceived as unprofessional or rude. This does not mean sacrificing clarity; rather, it suggests a balanced approach in emails, presentations, or negotiations.

Cultural nuances play a role as well. Humour for instance, should be used cautiously. What may be considered witty or appropriate in Europe might not resonate or could even be misinterpreted by a Canadian audience. Clarity should always take precedence, especially when discussing technical details, financial matters, or legal terms.

Lastly, SMEs should pay attention to idiomatic expressions and colloquialisms. While these are common in Canadian

[44] Author(s). (2023). *Long Working Hours*.
[45] Government of Canada. (n.d.). *Vacation Leave*. Retrieved from [Canada.ca] (https://www.canada.ca)
[46] Statistics Canada. (n.d.). *The Daily — Working from Home in Canada*. Retrieved from [Statistics Canada website] (https://www.statcan.gc.ca)
[47] Government of Canada. (n.d.). *Common hybrid work model*. Retrieved from (https://www.canada.ca/en/government/publicservice/modernizing/hybrid-work/common-hybrid-work-model.html)
[48] Statistics Canada. (2023, March 29). Indigenous languages across Canada. Retrieved from (https://www12.statcan.gc.ca/census-recensement/2021/as-sa/98-200-x/2021012/98-200-x2021012-eng.cfm).

business conversations, they can be confusing for non-native speakers. Similarly, avoiding reliance on European idioms can help prevent misunderstandings. If a phrase or term is unclear, it is always acceptable to ask for clarification to ensure mutual understanding.

By understanding and adapting to these language considerations, European SMEs can effectively navigate the Canadian business environment and build strong, lasting relationships.

Workplace values and key attributes

In Canada, independence, accountability, and a proactive approach are cornerstones of workplace culture. Employees are expected to take ownership of their responsibilities and contribute to projects without needing detailed supervision. This self-driven attitude is particularly valued in dynamic and fast-paced industries like technology and finance. For EU SMEs entering the Canadian market, demonstrating initiative—such as presenting new ideas or solving problems proactively—can establish credibility and foster stronger partnerships with Canadian counterparts.

A positive attitude is also a defining characteristic of Canadian workplaces. Optimism, even in challenging situations, is associated with a solution-oriented mindset. For instance, when pitching a business idea, Canadians often highlight opportunities and potential solutions rather than dwelling on challenges. EU SMEs can adapt by framing their products or services in terms of how they solve problems or add value to the Canadian market.

By understanding and embracing these cultural aspects, EU SMEs can effectively navigate the Canadian business environment and build strong, lasting relationships.

Approach to innovation and risk

Canada is widely recognised as a global hub for innovation, driven by a culture that celebrates entrepreneurship and risk-taking. Success stories such as Shopify, founded by Tobias Lütke, and BlackBerry, spearheaded by Mike Lazaridis, exemplify the entrepreneurial spirit that defines Canadian business culture. Unlike in some EU countries, failure in Canada is often seen as a learning experience rather than a career setback, making it easier for innovators to experiment and take calculated risks.

This openness to innovation is supported by a strong regulatory framework and incentives. For example, Canada offers tax credits for R&D activities, including the Scientific Research and Experimental Development (SR&ED) Tax Credit, which rewards businesses for investing in innovation. Typically, qualified research activities must aim to develop or improve a product, process, or software, and involve eliminating technical uncertainty through experimentation. Provincial programmes further supplement these benefits, creating an ecosystem that fosters creativity. EU SMEs can leverage such programmes when collaborating with Canadian partners or expanding their operations in Canada.

Moreover, IP protection in Canada is robust and comprehensive. Patents, copyrights, and trademarks are regulated at the federal level by agencies such as the Canadian Intellectual Property Office (CIPO). For SMEs with unique products, technologies, or services, securing IP rights in Canada ensures nationwide protection against infringement. For example, an EU SME introducing a novel medical device can rely on Canadian patent laws to safeguard its innovation while exploring market opportunities.

By understanding these cultural and structural elements, EU SMEs can position themselves for success in the Canadian market while mitigating risks and building long-term business relationships, EU SMEs can position themselves for success in the Canada market while mitigating risks and building long-term business relationships.

Disclaimers

The Toolkit is subject to the following exclusions, assumptions, and qualifications:

- The Toolkit has been produced as part of the contract signed by the Consortium Deloitte, Corvers and Intellera (the "Contractor") with the European Innovation Council and SMEs Executive Agency ("EIC/EISMEA"), acting under the powers delegated by the European Commission, having as subject matter the "Strategic use of procurement to open up business opportunities to EIC innovators", also called the Strategic Innovation Procurement Programme (SPIN4EIC) with the number EISMEA/2022/OP/0022 (EISMEA/2023/OP/0003). The information and views set out in this Toolkit are those of the author(s) and do not necessarily reflect the official opinion of EIC/EISMEA. The EIC/EISMEA does not guarantee the accuracy of the data included in this study. Neither EIC/EISMEA nor any person acting on the EIC/EISMEA's behalf may be held responsible for the use which may be made of the information contained therein.
- The Toolkit has been developed with reference to a range of international procurement frameworks, including global best practices, relevant legal instruments, and materials from public or private procurement projects across various jurisdictions. While originally informed by European legislative frameworks, policies, case law from the Court of Justice of the European Union, and EU-funded initiatives, the content has been broadened to support global applicability. Additional sources from the countries targeted by the International Country Profiles have been consulted to enhance the relevance of the Toolkit for innovators seeking to engage in procurement processes beyond national or regional boundaries. In preparing the Toolkit, the author(s) have relied on the accuracy and completeness of the referenced materials. All sources are duly cited within the document.
- The Toolkit offers both a theoretical foundation (based on, e.g., legal provisions under relevant pieces of legislation, legal analysis, and interpretation thereof), and practical guidance, including case studies and examples. These are intended to support innovators, particularly SMEs and start-ups, participating in innovation procurement processes or delivering innovation focused procurement projects globally. It also provides sample wording that may assist in the drafting of procurement documents. However, the information and guidance provided should be regarded as indicative only and may require adaptation to suit the specific context, including:
  a) the requirements and priorities of public or private procurers, as well as the capabilities and solutions available from the suppliers;
  b) the necessity of adhering to applicable legal frameworks governing procurement procedures and the conduct of public or private entities in the country where the procurement is initiated, managed, and executed;
  c) the need for alignment with internal policies, governance structures, or regulations applicable to the contracting authority, public or private body undertaking the innovation procurement activity.

  The Toolkit also contains examples derived from templates of procurement documents used by public or private procurers involved in innovation-driven procurements. While many of these templates originate from EU-funded Pre-Commercial Procurement (PCP) and Public Procurement of Innovative Solutions (PPI) initiatives, they have been selected and adapted to illustrate legislations that are relevant in a wider international context. Where appropriate, examples also reflect practices aligned with international frameworks such as the Agreement on Government Procurement (GPA) of the World Trade Organisation (WTO), and other relevant non-EU procurement models.
- The Toolkit and examples from templates may be used by innovators/suppliers as general guidance for the drafting of their own tender proposals and further tailored to their specific case and applicable legislation. As there are always certain legal concepts which exist in one jurisdiction and not in another, proper legal assistance should be sought to adjust them according to specific case-by-case requirements.
- The content of the reports, policy documents, communications, guidelines, opinions, or memoranda from any other person or entity referred to in the Toolkit, is and remains the exclusive responsibility of that person or entity.