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PRE-BUDGET CONSULTATION SUBMISSION
**Innovate Cities 2022: Developing, supporting, and participating in
an innovation ecosystem**

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Re: Innovate Cities 2022 Ontario Pre-Budget Submission: Developing, supporting, and participating in an innovation ecosystem

Innovate Cities is pleased to share its 2022 Ontario Pre-Budget Submission. Our three recommendations are geared towards developing parity in digital innovations and providing a platform for data sharing to position Ontario as a place for innovation.

Recommendation 1: Innovation infrastructure to support data parity

Ontario, particularly southern Ontario, is a key innovation hub within Canada that competes directly with other regions of the world like Silicon Valley. For example, The Toronto-Waterloo Corridor has developed so much in the past 10 years that it now supports over 5,200 start-ups and 15,000 tech companies, making it the second-largest technology cluster in North America¹. However, we need to support our ecosystem by providing them with the tools to progress from start-ups to scale-ups to empower innovators to boost Ontario's post-pandemic economy.

¹ <https://thecorridor.ca>



We have an incredible talent pool in Ontario that strives to bring products and services that benefit Ontarians and have a global impact. The Government of Ontario has a key role in helping start-ups validate their business proposition and grow substantially to foster the next generation of innovators in Ontario. A not-for-profit data trust is an essential feature of innovation infrastructure because it will allow innovators to access data, the fundamental raw material of innovation.

At Innovate Cities (IC), we envisage supporting our innovators with CityShield, a not-for-profit data trust, and Cityscape, our data marketplace. We are building a data trust that uses Canadian technology provided by Sightline Innovation which will operate as a public utility providing data at cost. CityShield will abide by the highest privacy standards and comply with the EU's General Data Protection Regulation ("GDPR") and will not hold any personally identifiable information (PII). Furthermore, IC has retained Dr. Ann Cavoukian, the former Chief Privacy Officer of the Province of Ontario, to act as its Chief Privacy Officer.

We urge the province to support our call to help innovators by providing the infrastructure needed to build a strong foundation for these organizations in our backyard. The province must support the creation of a data trust such as ours that operates as a not-for-profit data provider.



Otherwise, there is a risk that private interests will determine who and on what terms innovators will have access to data.

CityShield, our data trust, is a data-sharing platform. Companies and individuals from all sectors including municipalities can access this shared data to validate their products and services. Data is the raw material that propels innovation. We encourage Ontario to take steps to ensure that it is available to citizens and communities across the province with an umbrella of strong governance, which CityShield embodies.

By supporting the innovators and helping participate in the data trust, the Government can modernize communities it can further utilize CityShield to make evidence-based decisions on a wide variety of matters. To name a few, measuring housing and infrastructure needs and building the next generation of transit by tracking traffic patterns. CityShield also offers municipalities and the province an opportunity to create an alternate revenue stream. Data held by governments is valuable, and if it is provided through CityShield, the privacy of residents will be fully protected. Data for good.

With that in mind, as the Government of Ontario works to measure and address homelessness, modernize transportation policy, and foster innovation to support job creation and economic



growth, we encourage the Government to support the innovation infrastructure we are building at Innovate Cities with our honest broker data trust approach.

Recommendation 2: Remove barriers for scale-ups with procurement reform

Within the current innovation ecosystem supporting innovators with the right platform is not enough as start-up ecosystems require policy reform to reach the potential the innovators envisaged for their ideas. Innovators need the opportunity to prove the worth of their products, and they need customers.

There are a few ways the Government can encourage innovators to scale their ideas. One of the many ways the province can support is by being the first purchaser of modern technology. Government procurement rules make it difficult for innovators to sell to the Government. The province should create a special procurement process for Canadian innovators to ease this problem.

IC suggests that the province implement pilot projects for innovative products. To protect the interests of taxpayers, the pilot project procurement process would have clear rules and would anticipate that some projects might fail. In the event of failure, both the innovator and the



relevant ministry or government agency would need to document why the pilot project failed and identify the lessons learned.

Creating pilot projects with Government will offer innovators the opportunity to test their ideas in the real world and track and measure results. It would mean that the provincial government needs to look at the procurement practices creatively but having clear rules would allow the Auditor General the basis upon which to review pilot projects.

The Government of Ontario becoming an adopter of our data trust will favourably position Ontario as an innovator and promote Ontario as the best place to invest. Becoming a customer will make it easier for our innovators to raise funds and showcase proof of concepts endorsed with pilot projects for the Government. This way, the province will provide start-ups and scale-ups with the resources they need.

To ease the process of investing in our data trust and testing scale-up innovators through pilot projects, we advocate for pilot projects involving Ontario scale-up innovators being exempt from municipal and provincial procurement rules as they are often complex and time-consuming. We would also observe that all political parties support Ontario's innovation community. Pilot



projects could also be used to de-politicize innovation procurement. Approval for this approach could be sought from all parties, and regular reports could be made to the Legislature.

By being the first to invest in our technology in the form of pilot projects, the Government of Ontario allows the Auditor General to fulfil its crucial role of measuring the results of these projects. Also, implementing procurement reform will pave the way to elevate more Ontario scale-up innovators across Ontario. **As the Government prepares for the 2022 budget, we urge you to consider these investments and procurement reforms to support innovators and help create an atmosphere that drives prosperity and economic development for all Ontarians.**

Recommendation 3: Participate in our Innovation Marketplace – CityScape

Our marketplace aims to break the shackles of stifled innovation by de-risking the innovation decision, and bring innovators and customers together. Products will be qualified before they are made available on the market. The qualification process will involve an assessment from experts that the products function in the manner described by innovators. The qualification process could also include innovations that went through the pilot project process described above.



With the strictest standards in privacy and governance, Innovators who are not known in the broader market are at a competitive disadvantage. With CityScape, we seek to help level the playing field by de-risking the innovation-decision.

With the rising integration of technology in our everyday lives, embracing the power and value of data and participation in our marketplace will help propel the province forward and meet the increasing demands of its citizens.

Innovators in Ontario need a platform to support and scale their ideas, **As the Government of Ontario prepares for Budget 2022, please consider contributing to our not-for-profit marketplace that provides Canadian innovators with the support they need.**

Background:

Over the last few decades, the pace of innovation has progressed rapidly. The boom of the internet in the early '90s, the rise of social media giants in the '00s and the rapid formulation of innovative start-ups in the '10s have defined how we primarily play, work, commute and live in our communities. Increasingly our lives are shaped by the technology we see and consume around us. The technology makes us better at collective decision making – evidence-based decision making because we can leverage the power of data.



We increasingly live in a world where the software and the technologies we use know more about our habits than we do. We are willing to share our individual data with technology service providers that use it to perfect their services and use data as a resource to dominate the marketplace. These organizations primarily use confidential data centers/ data pools that collect yottabytes of data and look for patterns and behaviours; thereby gaining an advantage in the markets where their service is provided.

A handful of technology companies account for the top five most valuable companies worldwide. These organizations hold the keys to the future by collecting unsurmountable data to inform their decisions. Therefore, there is an immediate need for a public utility data trust not dominated by a foreign oligarchy but a secure Ontario-made not-for-profit data fiduciary. It's time we use data for social good.

The Government of Ontario has the opportunity to act as a supporter and participant in our data trust and a consumer of innovative products. Ontario has the talent pool to become a leader in facilitating innovation by embracing the power and value of data and engaging with a data trust.



Data is the raw material of the innovation ecosystem. We must take steps as a province to ensure that this data will be available to innovators, communities, and citizens. CityShield is a data trust, and a means to share data with complete privacy and strictest governance. Since we do not hold any personally identifiable information (PII), nor will we permit such information to be transmitted or held in the Trust, the organizations providing data in our data trust have the absolute control of their data.

If data is maintained securely, provinces and municipalities can derive finite value from it to overcome some of today's fiscal challenges. Through its data trust (CityShield) and marketplace (CityScape), Innovate Cities will work with the Government of Ontario to bring together innovators and customers to find meaningful ways to utilize and monetize the data to promote innovation economic growth for all Ontarians.

Sincerely,

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About Innovate Cities

Innovate Cities is committed to creating more inclusive, livable, and sustainable cities which uses data to improve citizens' quality of life, while protecting their privacy and earning their Trust. Innovate Cities is a platform used for the promotion of Canadian innovators and the means to connect those innovators to one another, to potential customers, and to established tech companies.

We are an action-oriented, not-for-profit organization that believes in the power and value of data. To fulfill our mission and vision, we are building CityShield – the Innovate Cities Data Trust. This technological platform allows data producers to share their data in an accessible and useable form while delegating the responsibilities of strict governance to a trusted third-party data fiduciary. Innovate Cities will act as this data fiduciary. In addition, we are building CityScape – a digital marketplace which will connect innovators with buyers and adopters of smart city technology as well as function as a data marketplace, selling datasets from the data trust securely while being GDPR compliant.

