



Government of Canada
Networks of Centres
of Excellence

Gouvernement du Canada
Réseaux de centres
d'excellence

BUSINESS-LED NETWORKS OF CENTRES OF EXCELLENCE (BL-NCE)

PROGRAM GUIDE

Government of Canada
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Canadian Institutes of Health Research
Social Sciences and Humanities Research Council of Canada

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Background

The Business-led Networks of Centres of Excellence (BL-NCE) program was announced in Budget 2007 and the program's initial terms and conditions were approved by the Treasury Board in December 2007. The BL-NCE program is a federal program overseen by a tri-agency NCE Steering Committee composed of the Deputy Minister of Industry (or delegate), the Deputy Minister of Health (or delegate); and the Presidents of the three federal granting agencies: the Natural Sciences and Engineering Research Council of Canada (NSERC), the Social Sciences and Humanities Research Council of Canada (SSHRC), and the Canadian Institutes of Health Research (CIHR), with the President of the Canada Foundation for Innovation serving as observer.

Day-to-day administration of the BL-NCE program is provided by the Networks of Centres of Excellence Secretariat (NCE Secretariat), which has established and implemented sound processes and systems and allocates adequate resources for ensuring due diligence throughout the lifecycle of the BL-NCE program. These resources range from the development of program policies to the selection of grantees, using rigorous peer-review and private sector advisory review processes, and the post-award administration and ongoing oversight of BL-Networks.

The NCE Secretariat runs periodic national competitive processes through which the NCE Steering Committee selects successful BL-Networks on the recommendation of the Private Sector Advisory Board (PSAB) and findings of the international expert.

Goal of the BL-NCE Program

The goal of the BL-NCE program is to address private sector research and development (R&D) challenges in Canadian research priority areas through the creation of business-led research

networks that increase private sector investment in R&D, innovation and competitiveness.

Eligibility

Organizations eligible to receive funding are not-for-profit corporations incorporated under the *Canada Not for Profit Corporations Act* representing private sector consortia (i.e. a BL-Network) with an established Board of Directors that is responsible for the approval of its annual financial reports and audits.

Network Members include Canadian post-secondary institutions eligible to receive grant funds from the federal granting agencies; private sector enterprises with substantial research and development (R&D) operations in Canada or with potential to benefit from R&D; and Canadian not-for-profit organizations. Federal, provincial and municipal government departments, agencies or Crown corporations are not eligible to receive BL-NCE grant funds.

Research Target Areas

Although all Canadian industrial sectors are considered eligible for the BL-NCE program, the NCE Steering Committee may identify target research areas for the program, taking into consideration the following factors:

- the available funds;
- the broad areas already represented by the currently funded networks; and
- the need to promote or develop specific areas in accordance with research priority areas of the government.

Currently, the BL-NCE program targets the following priority areas:

- Environmental science and technologies;
- Natural resources and energy;
- Health and related life sciences and technology;

- Information and communications technologies; and
- Management, business or finance.

Expected Results and Outcomes

The program goal is accomplished by investing in business-led networks that yield the following benefits:

Research-Related Benefits

- Increase private-sector investment in R&D and advanced technologies;
- Provide high quality post-graduate and post-doctoral training in innovative research;
- Strengthen public-private sector collaboration, including links between researchers and firms, to address significant research challenges that meet business needs; and
- Increase industry R&D capacity, including among small- and medium-sized enterprises (SMEs), and receptivity to the results of R&D.

Commercialization-Related Benefits

- Outline a clear path to market or business applications for the proposed research;
- Seek commercialization benefits that position Canadian firms in high value segments of production chains;
- Create, grow and retain companies in Canada that are able to capture new markets with new innovations;
- Accelerate the commercialization of leading edge technologies, goods and services in priority areas where Canada can significantly advance its competitive advantage; and
- Strengthen domestic collaboration and ensure that benefits spill over to a wide array of firms, sectors and regions of the country.

Selection Criteria

Depending on the target of the specific grant, full applications will be assessed against a combination of the following selection criteria:

A. Benefits to Canada

- Identification of the vision for a given sector and the major R&D and commercialization challenges to be addressed to significantly advance the Canadian competitive advantage of that sector;
- Strengthening of public-private sector collaborations to meet private sector needs;
- Increasing industrial R&D capacity and receptivity to the results of R&D across large, medium and small enterprise;
- Positioning of Canadian firms in high-value segments of production chains;
- Creation, growth and retention of companies in Canada;
- Business and product innovations to capture new markets; and
- Increasing domestic collaboration across a wide array of firms, sectors and regions.

Refer to Appendix A for the working guidelines on the “Benefits to Canada” criterion.

B. Track Record and Potential of the Applicants

Past progress:

- Past achievements of the applicants;
- Evidence of commercialization and/or business application of research results leading to competitive advantage;
- Mechanisms to identify and manage conflicts of interest;
- Ability to address recommendations from previous competitions or competition stages;
- Demonstration of success in past collaborations across firms and in public-private collaboration;
- Demonstration of an increase in business receptivity to the results of R&D across large, medium and small enterprise;

- Management of deviations from previous strategic directions; and
- Attraction of top talent to the proposed research and business activities.
- Record of investment by private and other public partners in the network.

Potential for success:

- Potential to advance the proposed research and business activities;
- Excellence, focus and coherence of a research program;
- Capability of attracting new investments;
- Mechanisms in place to track and manage BL-Network impacts;
- Evidence of capacity to address significant research challenges that meet business needs; and
- Proposed training and exposure of post-graduate and post-doctoral HQP in innovative research.

C. Business Plan

Rationale for funding:

- Value of the partnerships, financially and in advancing the BL-Network;
- Value-add of the network approach;
- Plan to overcome challenges of the sector;
- Identification of outcomes for the funding cycle; and
- Justification and appropriateness of the budget request.

Description of benefits to private sector participants:

- Plan for the business application for the proposed research;
- Business cases for the involvement of large, medium and/or small enterprises in the BL-Network; and
- Identification of links between researchers and HQP with firms.

Business approach:

- Clear description of the path to market for the research through a market analysis;
- Identification of key risks and mitigation strategies;

- Communication strategies to engage under-represented entities within the current network membership;
- Identification of future projects and anticipated changes to the technology readiness, stage-gate or maturity level of each;
- Effectiveness of the plan to manage, protect and exploit IP in the network context; and
- Mechanisms to accelerate commercialization and/or business application of technologies, goods and services within firms.

Successful BL-Networks will be measured on how they address the above criteria through the activities proposed in their application(s) and business plans.

Application Process and Requirements

Funding will be provided as grants to the successful applicants over a maximum five-year period. Consistent with all NCE programs and to ensure the funding of excellence, the BL-NCE program uses a two-stage review process.

Application requirements specific to each review stage are outlined in each corresponding Application Guide. Typically, grant applications must include the following information:

- A description of the network, its operations, planned activities, expected impact on the private sector and benefit to Canada;
- A list of members and supporting partners, and their duties and respective contributions;
- Letters of support and summary of contributions from partner organizations;
- An itemized budget;
- A description of the project management and governance structure; and
- A description of partnership arrangements, contributions and allocations of benefits (such as intellectual property) among parties.

Stage I: Letter of Intent (LOI)

The NCE Secretariat will issue a call for letters of intent (LOIs) to identify “major business needs” in one or more of the priority areas identified by the government.

As part of the LOI submission, applicants will be expected to develop a vision of their sector/cluster’s shared needs over the next 5-10 years and the major R&D and commercialization challenges and barriers to that vision, in a market assessment. The cost of such an assessment may be covered by the NCE Secretariat through an application preparation grant. The specific competition guides detail the requirements and eligibility to access an application preparation grant.

In addition to a market assessment, the LOI includes an overview of the BL-Network structure, funding needs, potential members and financial contributors, and the nature of their respective contributions (cash or in-kind). The BL-Network should describe the involvement of companies as well as researchers from academia, government and the private sector, as appropriate.

PSAB will assess the LOIs received against the relevant selection criteria and recommend a short-list of projects that should be further developed by the applicant for a more complete assessment in the full application stage.

Stage II: Call for Full Applications

The full application will address how the proposed BL-Network addresses the challenges and barriers outlined in the LOI stage to enhance their sector’s innovativeness and competitiveness.

A full BL-NCE application consists of the following:

- i) A business plan addressing the BL-NCE program selection criteria, which includes a proposed budget;
- ii) Curriculum Vitae information for the leaders of the BL-Network; and

- iii) Letter of support and summary of contributions the applicants secured from supporting organizations that includes cash and in-kind contributions.

The business plan describes the rationale for funding, benefits to the private sector, the proposed approach for the activities of the network towards achieving the research, and commercialization-related benefits of the BL-NCE program.

The onus is on the applicant to provide sufficient information that allows review committees to evaluate the relationship with other sources of support (held or applied for) and recommend the appropriate funding level.

Full applications received by the NCE Secretariat will undergo a two-stage review by expert panels and PSAB. Expert Panelists will evaluate the applications, meet with applicants, and produce in-depth written assessments for each application, detailing the strengths and weaknesses for each selection criterion and the appropriateness of the requested budget. Expert panels are composed of domestic and international experts on the subject matter and the BL-NCE selection criteria.

PSAB will review all applications and the expert panel reports to make funding recommendations to the tri-agency NCE Steering Committee. All decisions made by the NCE Steering Committee are final, and there is no appeal process.

Announcement of Competition Results

A confidential evaluation report for each full application will be made available to the applicant. A public competition report providing an overview of the competition will also be posted on the NCE website (www.nce-rce.gc.ca) upon announcement of the competition results.

Grant Recipients

Payments of grants are made to the BL-Network. The BL-Networks must incorporate as a federal not-for-profit to be eligible to receive grant funds.

The NCE Steering Committee expects grant holders to use their grants for the purpose for which the funds were awarded, and in accordance with the policies and guidelines of the BL-NCE program and the granting agencies. The NCE Secretariat reserves the right to terminate or suspend a grant if the recipient ceases to meet the eligibility criteria. Amounts paid after the expiry of eligibility, on the basis of fraudulent or inaccurate application, or in error, are subject to recovery action. The NCE Secretariat may withhold an appropriate amount of the total grant payable to the recipient until the NCE Secretariat is satisfied that the recipient meets the eligibility criteria and requirements of the program.

Fraudulent use of NCE funds will be referred to the appropriate legal authorities.

Each BL-Network must have an administrative structure that is capable of managing a complex multi-disciplinary and multi-organizational program.

Funding Agreement

Following the announcement of the funding decision, and prior to the release of the first installment of the grant, each BL-Network is required to sign a Funding Agreement with the granting agencies. The Funding Agreement is consistent with the BL-NCE Program Terms and Conditions and the BL-NCE Program Guide.

Given the multi-disciplinary nature of the proposals, funding for a given BL-Network may come from more than one granting agency, and therefore the NCE Secretariat will be the primary point of interaction for all applicants throughout the life cycle of their application (pre- and post-award). Funding disbursements will be

managed by the NCE Secretariat and disbursed to the recipient(s) against a Funding Agreement under the legal authority(ies) of the relevant granting agency(ies) (NSERC, and/or SSHRC and/or CIHR).

Network Agreement

The Network Agreement is a common agreement signed by all Network Members receiving BL-NCE grant funds to advance the activities of the BL-Network. Release of grant funds to Network Members by the BL-Network is conditional on the signing of a Network Agreement. A Network Agreement sets out the expectations of all organizations receiving part of the grant.

It is understood that the corporate membership in the BL-Network may change from time to time, however, all new BL-Network Members receiving BL-NCE grant funds must be approved by the Board of Directors of the BL-Network. The BL-Network Members must also sign the Network Agreement.

BL-Network Investigators are post-secondary researchers or are affiliated with a BL-Network Member, and undertake research initiatives to further the goal of the BL-Network. BL-Networks have independence in the choice of the Network Members and Network Investigators they fund; however, they are expected to follow the provisions set out in the Funding Agreement.

A Network Agreement should contain, but is not limited to, five principal clauses that pertain to (I) requirements of the Funding Agreement, (II) expected outcomes of the BL-Network, (III) knowledge dissemination activities, (IV) mechanisms to manage the IP, and (V) equipment.

Basis and Timing of Payments

The BL-Network receives grant funds from the granting agencies and may flow funding to BL-Network Members to complete activities aligned with the purpose for which the grant was provided.

The granting agencies decide on the grant amount to be paid on the basis of reasonable eligible costs listed in the budget submitted in the grant application and recommendations from expert review and PSAB on the need for funds and on the available budget allocation.

BL-NCE grants are administered by the NCE Secretariat and disbursed to the recipient(s) through installments to the BL-Network Administrative Centre and as per the Funding Agreement with the relevant granting agency(ies) (NSERC and/or SSHRC and/or CIHR). Payment of the grant will be released subject to appropriation by Parliament for the fiscal year in which payment is to be made.

The BL-Network Board of Directors must approve or have an established approval process for all research or commercialization project grants paid by the BL-Network Administration Centre. Grant payments are made to Network Members who administer the research accounts and not directly to the research investigators. Network Members are responsible for executing the selected research or commercialization projects on behalf of the BL-Network. Network Members are required to sign the Network Agreement.

The Board of Directors must implement a financial control framework that ensures expenditures charged to the BL-NCE grants are for their intended purpose. Network Members must also implement a control framework that ensures that all expenditures charged to the research accounts are for the purpose intended by the grant.

The BL-Network has until the end of the term outlined in the BL-NCE Funding Agreement to

complete its planned activities. All BL-NCE funds and corresponding matching funds must be expended with services rendered by the date of the end of the term. Any BL-NCE grant funds remaining beyond the end of the term must be returned to the NCE Secretariat.

Matching Fund Requirements

The BL-NCE program will provide up to 75 per cent of the eligible networking, commercialization, administration and outreach expenses in support of the operation of the BL-Network. Such expenses include BL-Network leader and staff salaries, communication, travel, market study, and prototype development costs.

The BL-NCE program will provide up to 50 per cent of eligible direct costs of research activities. These expenses include salary of research staff, protection of intellectual property, equipment, material, and travel.

The balance of the funding must come from contributions made by other government sources or non-NCE as long as the stacking limits are respected. To be considered matching funds, the additional funds must be used to support expenses that meet the eligibility criteria of the BL-NCE program.

The BL-Network must demonstrate that it has received the required level of matching funds from other sources globally with progress measured on a yearly basis and not necessarily per funded activities. For details on eligible and non-eligible expenses, please see the "Use of Funds" section.

Stacking Limit

The maximum level (stacking limit) of total government assistance (federal, provincial, and municipal) for this program will not exceed 75 per cent of the eligible expenses. If the total of government assistance (federal, provincial and municipal) exceeds the stacking limit, it will be necessary for the relevant federal agencies to adjust the payments to the BL-Network in such a way as to not exceed the stacking limit.

The BL-NCE Program is a matching program. Matching contributions may be in cash or in-kind. BL-Networks who receive additional government funding for the same activities must respect the stacking limit. The balance above the stacking limit must come exclusively from non-government sources.

When a grantee is successful in attracting other funding, the additional funds do not displace the grant provided by the BL-NCE program. The BL-Network will use the additional funds to complement BL-NCE funded activities, by conducting additional work, hiring more research personnel, or widening the scope of its activities.

Contracts

A BL-Network may enter into research contracts with a Network Member. These contracts could be for the purpose of detailing deliverables, methods of payment, management of intellectual property or other matters.

All research contracts involving the BL-NCE grant must ensure that the provisions of the Network Agreement, Funding Agreements and the Tri-Agency Financial Administration Guide are respected and that administrative expenses related to research contracts are not expensed against the BL-NCE grant. Only the administrative expenses of the BL-Network Administrative Centre can be expensed from the BL-NCE grant.

The BL-Network must use funds provided from other funding sources to pay for administrative expenses or overhead expenses on research related contracts. In such cases, the respective BL-Network Member must track expenses related to grant funds and non-grant funds separately.

Research Collaborations and Contracts with Government Laboratories and Facilities

Participation in the form of research and development collaborations in the BL-NCE program by researchers from government laboratories is desirable. However, in accordance with the *Financial Administration Act* and Treasury Board guidelines, government researchers are not eligible to receive BL-NCE funds.

The BL-Networks may use contracts in order to access specialized facilities and services provided by government laboratories. Memoranda of Understanding that set up the terms for Specified Purpose Accounts may be used to support joint research projects. Money deposited into these Specified Purpose Accounts by BL-Networks can only be sourced from funds raised by the BL-Networks and not from federal funds, including the BL-NCE grant. In short, the BL-Network may contract government laboratories to conduct research related to its activities, however all contracts of this nature must be paid by matching funds and not by the BL-NCE grant.

Use of Funds

Expenses related to the administrative centre and representative of the activities necessary to administer the BL-Network are eligible under the BL-NCE grant. However, the BL-NCE program will fund a maximum of 75 percent of these types of eligible expenses, and they cannot exceed 20 percent of the total BL-NCE grant. The expenses include the salary and benefits of the administrative staff, networking activities, specialized consulting services, etc.

Administrative expenses incurred between the date that the granting agencies announce the grant on their respective websites and the start date of the grant funding are eligible. However, expenses incurred by the recipient organization to meet the eligibility criteria of the BL-NCE program (for example the cost of incorporating) are not eligible.

Up to 50 percent of the total expenses directly related to the research activities conducted by the BL-Network and Network Members may be funded by the BL-NCE grant. The balance must be funded by contributions from sources other than the BL-NCE program. These matching funds must respect the stacking limits of the BL-NCE program.

In order to determine which expenses related to administration or research are eligible under the BL-NCE program, grantees should refer to the

Use of Grant Funds section of the Tri-Agency Financial Administration Guide. The Guide can be found at: www.nserc-crsng.gc.ca/Professors-Professeurs/FinancialAdminGuide-GuideAdminFinancier/FundsUse-UtilisationSubventions_eng.asp

Note, however, that because of the goal of the BL-NCE program, there are some exceptions regarding eligible and non-eligible expenses that are different from those defined in the Tri Agency Financial Administration Guide. The exceptions are itemized in the tables below.

List of Exceptions to the Tri- Agency Financial Administration Guide for:	
Direct Cost of Research (up to 50 percent covered by the BL- NCE program)	
Eligible Expenses	Non-Eligible Expenses
Equipment or facility Where capital equipment expenditures are vital to the success of a research project, the cost of that equipment may be considered an eligible expense, provided the equipment cost for which coverage is requested does not exceed \$1 million and does not exceed 20 percent of the total eligible expenses for research costs.	Cost of overhead on the research.
Materials and supplies No exception*	
Salaries and benefits of research staff No exception*	Cost of research conducted by a university researcher for a spin-off or "virtual" company.
Knowledge dissemination No exception*	
Intellectual Property Legal fees associated with intellectual property protection and negotiation.	
Travel No exception*	

*No exception from the guidelines detailed in the Tri- Agency Financial Administration Guide

Table of Exceptions to the Tri- Agency Financial Administration Guide for:	
Administration, Networking and Commercialization Expenses (up to 75 percent covered by the BL-NCE program)	
Eligible Expenses	Non-Eligible Expenses
<p>Administration of BL-Network (cannot exceed 20 percent of the overall BL-NCE Grant)</p> <p>Salaries and benefits</p> <p>Subject to approval by the NCE-Network Board of Directors, the BL-NCE grant may fund the salary of BL-Network staff on the condition that contributions towards the remuneration (fixed or variable) from <u>all government</u> sources do not exceed \$100,000 (including benefits). This condition applies to all positions (including contracts) and shall be pro-rated on the basis of the proportion of time worked relative to the full time equivalent.</p> <p><i>For example, a BL-Network relying exclusively on federal funds from the BL-NCE program could use up to \$100,000 of the BL-NCE grant if the total remuneration of the employee was \$133,000 ($\\$133,000 \times 75\% = \\$100,000$). The balance would be provided by other non-government funding sources.</i></p> <p>Contracting professional services is only eligible where the expertise and/or services are not already available within the BL-Network.</p>	<p>Incorporation costs</p> <p>Honoraria</p> <p>As indicated in the Tri-agency Financial Administration Guide, BL-NCE grants may not be used to pay honoraria for Board of Directors or other committee members for attending BL-NCE related meetings.</p>
<p>Expenses related to networking</p> <p>Communications activities.</p> <p>Travel accommodation for BL-Network personnel, and members the BL-Network Board of Directors and committees.</p>	

<p>Costs to obtain liability insurance</p> <p>For members of the Board of Directors and BL-Network administrators.</p>	
<p>Commercialization related expenses</p> <p>Expenses related to market studies are subject to approval by the Board of Directors, to determine the appropriate market(s) and the market potential for a development.</p> <p>Developing the business plan, consulting and technology evaluation are eligible expenses.</p> <p>Prototype development subject to approval by the Board of Directors.</p>	

In case of doubt and before committing any funds, contact the NCE Secretariat liaison for further guidance.

Indirect Costs of Research

The BL-NCE program is eligible for the Indirect Costs Program (ICP) which enables BL-Networks to engage in research conducted at eligible Canadian institutions without incurring overhead expenses. Any BL-NCE grant funds allocated for research in eligible post-secondary institutions are eligible under the ICP program and will not be charged overhead. When funding a research project at an institution, the BL-Network must identify the allocation of the BL-NCE grant separately from matching funds that do not qualify for the ICP program. As part of the annual reporting, each institution must complete and provide the BL-Network with a Form 300. This form must be submitted with the BL-NCE annual reporting. Details on the ICP program can be found at: <http://www.indirectcosts.gc.ca/home-accueil-eng.aspx>.

Reporting Requirements

BL-NCE activities are subject to general monitoring by the NCE Steering Committee through the NCE Secretariat. The NCE Steering Committee is responsible for evaluating the effectiveness and performance of the BL-NCE program and reporting the results to the Ministers of State (Science and Technology), Industry and Health, as well as the general public.

Some of the information included in the annual reports may be made public through various NCE Secretariat publications and communications. Statistical and financial information will only be released publicly as an aggregate of the BL-NCE program. They will also be used in the BL-NCE program evaluation.

Grantees will be asked to provide annual progress reports and a final report to the NCE Secretariat. The annual progress reports will highlight major achievements of the BL-Networks over the last year, strategies used to

achieve the goal of the network, and any changes in direction or deviations from the original objectives. The progress reports will also include statistical tables, summary reports, statements of other sources of funding, and administration reports such as conflict of interest and environmental review report as stipulated by the NCE Secretariat.

PSAB will assess the progress of each BL-Network on an annual basis to determine performance against the criteria defined in the terms and conditions. PSAB may recommend continued funding, phasing out the BL-NCE grant funds to the BL-Network, or an in-depth review by a panel of experts who will report back to the PSAB for the final recommendation. Based on the recommendation, the NCE Steering Committee will make the final decision on the outcome to the BL-Network.

In instances where members of the BL-Networks are post-secondary institutions that have signed the MOU with the granting agencies, the Tri-Agency monitoring procedures may be applied, which include visits from the representatives of the granting agencies.

BL-Network Members and investigators will also be surveyed during the entire BL-NCE funding cycle for program evaluation purposes. Information collected in the annual reporting may be used to contact stakeholders in the BL-Network or be used directly in the BL-NCE program evaluation.

Annual Reports

The annual progress reports shall be submitted to the NCE Secretariat and approved by the Board of Directors no later than August 1, four months after the end of each fiscal year.

The data requested in the annual progress report is divided in three categories: (I) qualitative, (II) statistical and (III) financial.

A checklist for the reporting requirements and templates are available in Appendix G of this

program guide and on the NCE website, respectively. The reporting templates will be distributed annually by the NCE Secretariat.

Review of Annual Reports

PSAB will use the annual reports to assess the progress of each BL-Network against the original application, the BL-Network strategic plan and the criteria defined in the BL-NCE program guide. PSAB may recommend continued funding, phasing out the BL-NCE grant funds to the BL-Network, or an in-depth review by a panel of experts who will report back to the PSAB.

The NCE Steering Committee will make the final decision on the above process and the outcome to the BL-Network based on the recommendation by PSAB.

Final Report

The BL-Network shall provide to the NCE Secretariat, no later than four months after the end of the funding period, the BL-Network final report. The final report must be approved by the Board of Directors.

The final report will elaborate on the BL-Network activities, progress against objectives and the benefits to Canada in the following areas:

- Increased private sector investment in R&D and advanced technologies demonstrated through trends in R&D investment of Network Members;
- Creation and growth of companies in Canada that are able to capture new markets with new innovations demonstrated through:
 - the number of companies which were created/experienced growth using the network's results/innovations; and
 - the number of jobs created within the BL-Network;
 - enhanced private sector innovation demonstrated through:

- evidence of impacts of network innovations on existing industries; and
- evidence of new processes and practices that enhanced private sector innovation;
- Economic, social and environmental benefits to Canadians demonstrated through:
 - o evidence of the impacts of BL-Network on national, international norms, regulations and policies; and
 - o evidence of economic impacts.

Network Management and Governance

Each BL-Network must have an organizational structure appropriate for the management of the network activities and business functions of a complex multidisciplinary, multi-institutional program. Refer to Appendix B for additional information on the best practices of the positions, committees and boards listed below.

Board of Directors

Each BL-Network must appoint a Board of Directors that has responsibility for the management and direction of the Network, and shall act in accordance with the BL-NCE program guidelines and the funding agreement. The membership of the Board must reflect the interests and concerns of the various stakeholders involved in the BL-Network. Appendix B describes in detail the roles and responsibilities of the Board of Directors.

Network Director

For the purposes of this guide the title 'Network Director' refers to the person responsible for executing the strategic direction of the BL-Network. Other titles can be used by the BL-Network to refer to this position.

Each BL-Network must have an appointed Network Director who reports directly to the Board of Directors. The BL-Network Director is

expected to commit at least 70 percent of their time to network-related activities in order to manage the BL-NCE grant effectively. A detailed description of the roles and responsibilities of the Network Director roles and responsibilities can be found in Appendix B.

Administrative Centre

The BL-Network must have an Administrative Centre. The BL-Network Administrative Centre is responsible for:

- receiving and distributing grants to Network Members;
- securing matching contributions from non-governmental sources; and
- providing suitable support to assist the Network Director and BL-Network staff in their network related roles and responsibilities.

The Administrative Centre can be hosted in any location including within an organization owned by a Network Member.

Role of the NCE Secretariat

The NCE Secretariat will identify a NCE liaison to work closely with each BL-Network over the grant period. This partnership will enable the BL-Network to better achieve alignment with the BL-NCE program. The NCE liaison may be asked to participate in the resolution of technical, financial or administrative difficulties; assist the BL-Network in the preparation of submissions to the BL-NCE program; advise on the interpretation of the BL-NCE program objectives, rules and guidelines; and support co-ordination of the network's activities with those of other networks or of other government-sponsored initiatives.

The NCE liaison is the primary NCE Secretariat contact for the BL-Network and will have observer status in the BL-Network Board of Directors and its sub-committee meetings. If the NCE liaison is not able to attend a meeting the

NCE Secretariat may temporarily appoint an alternate representative.

Communications

BL-Network activities, results and accomplishments should be conveyed to external audiences, including potential participants from all sectors, public policy makers, the media and the public.

BL-Networks are strongly encouraged to produce all nationally targeted communiqués and publications, including their website, in both official languages. In addition, BL-Networks should strive to communicate with individuals in the official language of their preference, for example when recruiting members for peer review panels.

The BL-Network's communications activities and messages must acknowledge the contribution of the federal government. The following sentence should appear in conjunction with the Canada Wordmark, which can be found at: <http://www.ic.gc.ca/eic/site/pt-te.nsf/eng/00055.html> on all publications, presentation materials and on the website: "This BL-Network is supported by the Government of Canada through a Networks of Centres of Excellence Program."

The terms "Business-Led Networks of Centres of Excellence," and "Réseaux de centres d'excellence dirigés par l'entreprise," are official marks of the Government of Canada. The network shall identify itself as a Business-Led Network of Centres of Excellence and is permitted to use the names "Business-Led Networks of Centres of Excellence" and "Réseaux de centres d'excellence dirigés par l'entreprise," and the acronyms "BL-NCE" and "RCE-E." The BL-Network must immediately cease using all official marks upon termination of the funding agreement or dissolution of the BL-Network.

BL-Networks are expected to collaborate closely with the NCE Secretariat Communications staff for their external communications activities.

BL-NCE Policies

Research Integrity

The BL-NCE program recognizes that the responsibility for high standards of conduct in research and scholarship rests with the individuals carrying out these activities. The Board of Directors may task the BL-Network to ensure adherence with the principles of the Tri-Agency Policy Statement on Responsible Conduct of Research (see http://www.nserc-crsng.gc.ca/NSERC-CRSNG/Governance-Gouvernance/rcr-crr_eng.asp for details).

In all cases the BL-Networks must:

- promote integrity in all research and scholarship;
- investigate all possible instances of misconduct in research or scholarship, including imposing appropriate sanctions in accordance with its own policies;
- report its findings to the NCE Secretariat when:
 - an allegation of misconduct has been forwarded to the BL-Network by the NCE Secretariat regardless of the outcomes of the inquiry(ies); and
 - an allegation of misconduct made directly to the BL-Network and involving, directly or indirectly, funds from the BL-NCE grant, has been upheld by the BL-Network.

Access to Information and Privacy

The BL-Network acknowledges that the *Access to Information Act* and the *Privacy Act* apply to the BL-NCE program. Information on the Acts and the use and disclosure of personal information are detailed in Appendix F.

Reporting to the NCE Secretariat

The BL-Network shall comply with all provisions under the Reporting Requirements section of this guide.

Conflict of Interest

The BL-Network and its members must adopt a code of conduct in its bylaws for directors, officers, employees and committee members designed to prevent real or perceived conflicts of interest. Appendix C provides guidelines on how to develop a code of conduct guidelines and policies for a BL-Network.

Ethics

The BL-Network and its members must follow Tri-Council guidelines when performing certain types of research. More specifically, when applicable, the network will ensure that researchers obtain appropriate certification and/or approval regarding use of human subjects, human pluripotent stem cells, animals, biohazards, radioactive materials, licenses for research in the Canadian territories and controlled information in the conduct of network research in accordance with the requirements of the BL-NCE program and the three federal granting agencies. In the event that the conducted research occurs within an institution that has not signed the Agreement on the Administration of Agency Grants and Awards by Research Institutions, the Board of Directors shall ensure adherence to the policies and guidelines in Appendix D as they apply through implementation of appropriate measures and report on these measures in the strategic plan and annual progress reports (detailed above).

Environmental Review

All recipient organizations must pay careful attention to environmental considerations in their decision to fund research. The BL-Network Boards of Directors shall establish a process for environmental review. BL-Networks should refer to Appendix E of this guide for more details of the policy and an example of the environmental review process. All research proposals to be funded shall be reviewed for potential environmental effects.

Intellectual Property

The NCE Secretariat and the granting agencies make no claim to ownership of intellectual property from the research they fund. Ownership of BL-Network-supported intellectual property shall be determined by applicable Canadian law and the policies of the relevant BL-Network Member(s).

Supporting Documentation

Financial Monitoring Visits

In instances where members of the BL-Networks are organizations eligible to receive funds from one of the three agencies, the established Tri-Agency monitoring procedures, which may include visits from the representatives of the granting agencies may be applied.

Refer to the Supporting Evidence subsection of the Reporting section of the Tri-Agency Financial Administration Guide For information on what documentation must be kept on record by the BL-Network as supporting documentation for financial administration purposes:

www.nserc-crsng.gc.ca/Professors-Professeurs/FinancialAdminGuide-GuideAdminFinancier/Reporting-Rapports_eng.asp#supporting

Appendix A: Benefit to Canada

Working Guidelines

A key BL-NCE program objective is to advance Canadian economic and social development. Accordingly, every effort must be made to have the results of network-funded research exploited in Canada, for the benefit of Canadians. Benefit to Canada is defined as incremental Canadian economic activity and improved quality of life in Canada. For example, maximum benefits would be derived from the creation of high-quality jobs in Canada, which should be an important goal of any commercialization activity.

The owners of intellectual property resulting from BL-Network research and/or commercialization activities, or the agent acting on their behalf, will consult with relevant stakeholders (BL-Network administrators, members, universities, and researchers) on issues of commercialization. When selecting a receptor company for the exclusive license of the commercial rights of intellectual property resulting from network research and/or commercialization activities, the agent/owners of intellectual property resulting from the network research and/or commercialization activities will use reasonable and thorough efforts to maximize benefits to Canada in a national and international context. Due diligence in efforts to maximize benefits to Canada depends in part on the nature of the commercialization activities that are being exploited, and on the window of opportunity.

The agent/owners of intellectual property resulting from network research and/or commercialization activities should take the following non-comprehensive list of possible benefits to Canada factors into consideration in exercising that due diligence:

- existing company in Canada with receptor capacity;
- expansion of an existing company in Canada;
- formation of a new company in Canada;
- joint ventures or strategic alliances with a company in Canada;
- co-manufacturing involving a company in Canada;
- cross-licensing or co-development with a company in Canada;
- establishment of a new subsidiary in Canada (R&D, manufacturing, sales, marketing, distribution);
- development and/or production in Canada by a foreign company (world product mandate).

Mechanism for Reporting Due Diligence

Within 30 days of a decision to pursue exploitation by a foreign company, and in advance of finalizing this decision, the agent/owner is required to report the decision to the BL-Network Board of Directors, and to provide a report approved by the Board of Directors to the NCE Secretariat that describes the rationale and circumstances that led to the decision. The NCE Steering Committee reserves the right to impose sanctions as it deems appropriate, if there is failure to comply with these reporting requirements or negligence in performing the due diligence, on the part of the BL-Network.

Appendix B: Roles and Responsibilities of the Network Management

Board of Directors

The Board is accountable to the NCE Secretariat for the BL-Network grant. The membership of the Board should reflect the interests and concerns of the public, private and academic sectors involved in the BL-Network. In addition, the BL-Network Board of Directors should:

- consist of 12 members and is required to meet at least twice annually;
- one-third of the board members should be composed of independent members, as defined in section 1.1 (r) of the funding agreement;
- the NCE recommends that at least one member with experience in ethics and research integrity is included on the Board;
- because the BL-Network Director is an employee of the corporation and reports to the Board of Directors, it is recommended that he or she be a non-voting ex-officio member of the Board.

In all cases an NCE Secretariat staff member with observer status will sit on the Board of Directors of the BL-Network and will also attend meetings of the BL-Network's committees.

In exceptional cases and for a short period of time, the NCE Steering Committee retains the right to name one independent observer not employed by the granting agencies, in addition to the NCE Secretariat observer.

The names and affiliations of the members of the Boards of Directors are considered public information.

The BL-Network must advise the NCE Secretariat of any changes in membership of the Board during the course of funding. The NCE Secretariat must be notified if there are any major changes that would affect the general mission, research program or other operations of the BL-Network.

Network Director

In this document, the title 'Network Director' refers to the person responsible for implementing and managing the contents of the BL-Network strategic plan. Other titles can be used by the BL-Network to refer to this position.

The Network Director is nominated by the Board of Directors. It is recommended that a minimum of 70 percent of the Network Director's time be devoted to the BL-Network over the course of the four-year funding cycle.

The Network Director responsibilities include:

- providing overall direction, coordination and management of the BL-Network strategic plan;
- providing policy advice to the Board and any committees established by it;
- proposing and administering programs and budgets for the BL-Network;
- recommending new members to the Board;
- proposing a policy to the Board for compliance with the requirements of the grant;
- ensuring networks respect the requirements for certain types of research;

- liaising with the NCE Secretariat and granting agencies, non-governmental organizations and the private sector;
- communicating and promoting the BL-Network's objectives and activities;
- communications and public affairs;
- general management of the BL-Network's operation;
- supervision of administrative BL-Network personnel;
- overseeing the preparation of financial and other reports in accordance with this guide;
- technology transfer in co-ordination with the owner(s) of the intellectual property;
- managing intellectual property and commercialization issues;
- overseeing organization of general meetings for the Board of Directors;
- chairing the research management committee;
- providing progress reports as approved by the Board of Directors to the NCE Secretariat;
- promoting research collaboration among individuals;
- promoting the network to the scientific community, to the private and public sectors, and to the general public; and
- any other responsibility deemed necessary by the Board of Directors.

Appendix C: Conflict of Interest Policy Framework

Interactions between university researchers and the private sector are an essential feature of the BL-NCE program. For the objectives of the BL-NCE program to be achieved, many kinds of interactions among individuals participating in the BL-Network must occur. These interactions may lead to gains and benefits to the individuals participating in the BL-Network and are desirable and natural outcomes of being involved in the BL-Network. Such interactions, however, may place individuals participating in the BL-Network in a position of potential, apparent or actual conflict of interest.

To ensure that BL-Network operations and decisions are not biased by conflict of interest, the responsibility for implementing and managing the Conflict of Interest Policy Framework is delegated to each BL-Network Board of Directors, who represents the highest authority in the management structure of the BL-Network.

Individuals participating in the BL-Network who do not receive BL-NCE grants, such as members of the Board of Directors and of advisory committees, play a unique role in the BL-Networks in bringing an important perspective as a result of their particular knowledge, often as representatives of organizations in the field of interest of the BL-Network. Although they do not receive BL-NCE funds, they are still required to disclose any financial interest or position of influence, as described in the Disclosure Section of this document, in any business in the same area of interest as the BL-Network, other than that of their main employer.

The Conflict of Interest Policy is intended to enable BL-Network Board of Directors and individuals to recognize and disclose situations that may be open to question and to ensure that such situations are appropriately resolved. The policy builds upon, and is complementary to, those of the organizations that make up the BL-Network Board of Directors, the BL-Network investigators and the administrators.

Definitions

- (a) "Administrative Centre" means the central administrative offices of the BL-Network;
- (b) "Avoidance" means refraining from, or withdrawing from, participation in activities or situations that place an individual participating in the BL-Network in a potential, apparent or actual conflict of interest relative to his or her BL-Network duties and responsibilities;
- (c) "Board" means the BL-Network Board of Directors that is responsible for the overall management of the BL-Network;
- (d) "Conflict of interest" means a situation where, to the detriment or potential detriment of the BL-Network, an individual or organization is, or may be, in a position to use intellectual property, research knowledge, authority or influence (real or perceived) for personal or family gain (financial or other) or for the benefit others;
- (e) "BL-NCE" means the federal Business-Led Networks of Centres of Excellence program;
- (f) "BL-Network" means a not-for-profit corporation funded under the federal Business-Led Networks of Centres of Excellence program;

(g) "Network Director" means the holder of the BL-NCE Grant who is a non-voting ex-officio member of the BL-Network's Board of Directors.

(h) "Disclosure" means the act of notifying in writing the Board of Directors, through the Administrative Centre, of any direct or indirect financial interests and positions of influence held by an individual participating in the BL-Network that could lead to a potential, apparent or actual conflict of interest.

(i) "Divestment" means the sale at arm's length, or the placement in trust, of assets, where continued ownership by an individual participating in the BL-Network would constitute a potential, apparent or actual conflict of interest with the participant's BL-Network duties and responsibilities.

(j) "Financial interest" means an interest in a business in the same area as the BL-Network as described in the Financial Interest section of this document.

(k) "NCE Secretariat" means the secretariat through which the federal Networks of Centres of Excellence program and the BL-NCE program are delivered.

(l) "NCE Steering Committee" means the committee which has overall responsibility for the BL-NCE program comprised of the three granting agencies' presidents, the Deputy Minister of Industry Canada, and the Deputy Minister of Health Canada, with the President of the Canada Foundation for Innovation serving as observer.

(m) "Position of influence" includes any position that entails responsibility for a material segment of the operation and/or management of a business.

Disclosure

Upon joining the BL-Network, each individual is obliged to disclose in writing to the Board, through the Administrative Centre, any direct or indirect financial interests and positions of influence that could lead to a potential, apparent or actual conflict of interest (examples provided below). In addition, these submissions must be updated whenever the individual's circumstances change in a way that would necessitate a further disclosure. The individual also has the obligation to disclose any potential, apparent or actual conflict of interest when it arises during BL-Network committee or Board meetings so that the committee or Board is aware of the situation and can take appropriate action.

Board members and members of other committees of the BL-Network should identify their interests in all organizations working in the same sector as the BL-Network and explain the relationship of the organization(s) to the BL-Network.

Financial Interest

This consists of:

- Any material stock option (e.g., one per cent) or similar ownership interest in such a business, but excluding any interest arising solely by reason of investment in such business by a mutual, pension, or other institutional investment fund over which the person does not exercise control; or
- Receipt of, or the right and potential to receive, any income from such a business, whether in the form of a fee (e.g., consulting), salary, allowance, interest in real or personal property, dividend,

royalty derived from licensing of technology, rent, capital gain, real or personal property, or any other form of compensation or contractual relationship, or any combination thereof.

Management of Conflict of Interest

The Board or its conflict of interest sub-committee is charged with the responsibility of managing conflict of interest, and determining and implementing the appropriate course of action. This management system is based on disclosure, as described in the Disclosure section. All disclosures constitute confidential information that will be available to the Board, or a sub-committee thereof, for the evaluation and resolution of any conflict of interest or allegations of conflict of interest brought before the Board or its conflict of interest sub-committee.

While it is recognized that it may be difficult to completely avoid situations of potential, apparent or actual conflict of interest, complete avoidance or divestment may be required in certain cases. Such divestment should not consist of a sale or transfer of assets to family members or other persons for the purpose of circumventing the conflict of interest compliance measures as directed by the Board.

a) Principles

An individual participating in the BL-Network who is involved with, or has an interest in, or deals in any manner with a third party which might cause a conflict of interest, will not be present and participate in any BL-Network decisions, including committee decisions, if the declared potential conflict of interest could influence the decision or actions of the BL-Network. It is the obligation of the individual to declare such potential, apparent or actual conflict of interest before discussions take place so that the committee or Board is aware of the situation in order to ensure that the individual is out of the room when the discussion and decision process on the item in question are taking place. This course of action should be recorded in the minutes of the meeting.

Any question raised by an individual or company regarding the potential conflict of interest of an individual will be raised at the Board level and must be documented in writing. The Board will determine the extent to which the question should be pursued and in such cases will consult the individual in question. If necessary, the individual will be asked to respond in writing.

b) Non-compliance

If an individual is discovered to be in conflict of interest where disclosure and prior approval have not been sought or granted, the Board will require the individual to:

- account to the BL-Network for any gain or benefit made directly or indirectly, arising from an involvement with, or an interest in, or from dealing in any manner with a third party that gives rise to a conflict of interest; and
- withdraw from the involvement; or withdraw from the BL-Network; or take appropriate action as determined by the Board.

Review Process

An individual may request in writing, within 30 days, a review of a Board's decision on conflict of interest. In certain circumstances, the Board may arrange for an independent third party appointed by mutual agreement of the BL-Network and the Board, and failing such mutual agreement, appointed by

the NCE Steering Committee, to act as an intermediary to scrutinize scientific reports and budgetary information of research project(s) in which the individual participating in the BL-Network is involved. The intermediary would provide an opinion on the overall merit of the review, without divulging specifics of a proprietary nature to other members of the BL-Network. The ultimate decision on the resolution of the review rests with the Board.

In cases where there is a concern with respect to decisions or actions of the Board itself, this concern should be submitted in writing to the NCE Secretariat. The NCE Secretariat may request the Chair of the Board to respond in writing to the NCE Steering Committee. Following submission of the Chair's response, the NCE Steering Committee will decide on follow-up action.

Examples of Conflict of Interest

The following examples, although not comprehensive, illustrate situations that may lead to an indirect or direct conflict of interest:

- Employment in any capacity by another employer outside the participant's, administrator's or director's organization, corporation or company signing the network agreement, including self-employment;
- Holding an office that puts the individual in a position to affect decisions, such as manager with executive powers, within a company, or member of a Board of Directors;
- Participating in a research contract, business contract or consultancy relationship with a company, or serving on the Board of a company;
- Entering into a research contract and/or business contract with a company in which the participant, or a member of the participant's immediate family, has a financial or other interest;
- Carrying out supplementary professional scientific or business activities in accordance with the disclosure requirements of the participant's or director's employing organization;
- Ownership of equity or other financial participation in a corporation (including stock options and shares). Participants, administrators and directors should abstain from activity in which they would have inside advantage (e.g., purchase of shares) based on the information they are privy to through membership in the BL-Network;
- Accepting gifts (other than some minor hospitality) or special favours for him or herself or a member of his or her family from private organizations with which the BL-Network does business;
- Influencing the purchase of equipment or materials for the BL-Network from a company in which the participant, the administrator or the director has a financial or other interest.

Conflict of Interest Guidelines for Expert Panels and Selection of Projects

The conflict of interest guidelines as adapted from NSERC and CIHR state that Expert Panel Members should not:

- be from the same university as the applicant(s);
- have been a research supervisor or graduate student of the applicant(s) within the past six years;
- be providing letters of support for the application;
- have collaborated with the applicant(s) within the past six years or have plans to collaborate in the immediate future;
- be an employee of a non-academic organization with which the applicant has had collaboration within the past six years;
- be in any other potential conflict of interest (e.g., personal, financial);

- Committee members who have an application before the committee shall absent themselves from that meeting of the committee;
- Committee members must declare a conflict of interest if they:
 - are from the same immediate institution or company as the applicant, and who interact with the applicant in the course of their duties at the institution or company;
 - are a close personal friend or relative of the applicant;
 - have had long-standing scientific or personal differences with the applicant;
 - are in a position to gain or lose financially from the outcome of the application (e.g., hold stock in the company of an industry member or a competitor) or
 - for some other reason feel that they cannot provide an objective review of the application.

Appendix D: Requirements for Certain Types of Research

Guidelines and Policies

The policy statement associated with the requirements for certain types of research of the three granting agencies can be found at: www.nserc-crsng.gc.ca/NSERC-CRSNG/Policies-Politiques/certaintypes-typescertaines_eng.asp. More specifically, here are the areas that the policy covers:

- Research involving human subjects shall meet the requirements of the Tri-Council Policy Statement: Ethical Conduct for Research Involving Humans (see <http://www.pre.ethics.gc.ca/eng/policy-politique/initiatives/tcps2-eptc2/Default/> for details);
- Research involving human pluripotent stem cells is required to adhere to the Updated Guidelines for Human Pluripotent Stem Cell Research posted on the CIHR website (see <http://www.cihr-irsc.gc.ca/e/34460.html> for details);
- Research requiring the use of animals shall be conducted in accordance with the policies and guidelines of the Canadian Council on Animal Care (CCAC) *Guide to the Care and Use of Experimental Animals* (Volume 1 and 2) and hold a valid Certificate of Good Animal Practice – GAP (see <http://www.ccac.ca/en/standards/guidelines>);
- Research involving biohazards must adhere to the standards outlined in the latest edition of Laboratory Biosafety Guidelines of the Public Health Agency of Canada (see <http://www.phac-aspc.gc.ca/publicat/lbg-ldmbl-04/index-eng.php> for details);
- Research involving infectious agents must adhere to the latest edition of the Laboratory Biosafety Guidelines prepared by the Public Health Agency of Canada (see <http://www.phac-aspc.gc.ca/publicat/lbg-ldmbl-04/index-eng.php> for details);
- Research involving radioactive materials must comply with all Canadian Nuclear Safety Commission (CNSC) regulations, recommended procedures, and safety precautions governing the use of such materials in Canada (see www.nuclearsafety.gc.ca/eng/lawsregs/index.cfm for details);
- Research activities having potential effects on the environment must adhere to the Environmental Review Policy for Networks Receiving NCE Funds (see Compliance Requirements in section 1.4 and Appendix E for details);
- Research involving controlled information must comply with all laws and regulations regarding Controlled Information, including but not limited to the *Defence Production Act*, *Export Control Regulations*, and the *Controlled Goods Regulations* before, during or after the tenure of a grant from the NCE. The BL-Network will ensure subsequent documentation required by the NCE Secretariat, including annual progress reports, final reports, and strategic plan, will not include information subject to restrictions or controls under the *Export and Import Permits Act* or its regulations, the *Export Control Regulations* or the *Controlled Goods Regulations* (see <http://ssi-iss.tpsgc-pwgsc.gc.ca/dmc-cgd/> for details);
- Research involving Aboriginal People must adhere to the CIHR Guidelines for Health Research Involving Aboriginal People (see www.cihr-irsc.gc.ca/e/29134.html for details); and
- Research performed in the Yukon, the Northwest Territories and Nunavut must be accompanied by the appropriate licences for all researchers. Research in the North should be governed by a set of ethical principles as described in the publications by the Association of Canadian Universities for Northern Studies titled - *Ethical Principles for the Conduct of Research in the North* (see <http://acuns.ca/website/ethical-principles>).

Appendix E: Example of Environmental Review Process

The BL-NCE and its members must perform environmental assessments. The Board of Directors should establish a process for environmental review, which is comparable to the process established by NSERC in fulfillment of its obligations, pursuant to the *Canadian Environmental Assessment Act* (CEAA). These are the environmental review requirements:

- An environmental review should be carried out on all projects selected for funding by the BL-NCE, and on funded projects when methodology changes significantly during the course of the funding period.
- Board of Directors may choose to carry out the environmental review themselves or to delegate this task, for example, by appointing a sub-committee or hiring consultants.
- BL-Network funds should only be released to network investigators after their projects have undergone an environmental review and the BL-NCE has determined that no significant adverse effects on the environment are expected. The BL-NCE should make awards conditional on a favourable environmental review.
- If the Board of Directors or its delegate determines that the environmental effects of a project are significant, the BL-NCE shall comply with the *Environmental Assessment Act* dispositions to determine the fate of the project. In such cases, the result of the environmental review and the Board's decision shall be communicated to the Researcher(s) involved, to the NCE Secretariat and to the relevant Network Members.
- BL-Networks will report annually to the NCE Secretariat to summarize their environmental review process and the results of the reviews done.

Important note: What follows is an example of an environmental review process. While the steps may be adapted or modified according to its own situation, each BL-Network must set up its own process.

In most cases, the review will be straightforward and should be based on applicants carrying out a self-assessment of the proposal, comparable to NSERC's Form 101 Appendices A and B which can be found at the PDF Forms and Instructions for Professors on the NSERC On-line Services Web site http://www.nserc-crsng.gc.ca/OnlineServices-ServicesEnLigne/Forms-Formulaires_eng.asp. The level of review will depend on the applicant's response and the complexity of the proposal. In principle, most laboratory research projects conducted indoors may be excluded from such assessment, provided that appropriate environmental protection procedures are in place, e.g., provisions for the treatment of effluent or disposal of hazardous waste.

1. For projects conducted exclusively indoors, BL-Network Investigators must attest to that fact in their proposal. (For example, see the Certification/Requirements section on page 1 of NSERC's Form 101 at http://www.nserc-crsng.gc.ca/OnlineServices-ServicesEnLigne/Forms-Formulaires_eng.asp).
2. For projects in which at least one activity takes place outdoors, BL-Network Investigators must complete the equivalent of NSERC's Environmental Impact Statement and the *Canadian Environmental Assessment Act* Pre-screening Checklist (Form 101, Appendices A and B, which can be found at www.nserc-crsng.gc.ca/OnlineServices-ServicesEnLigne/pdf/F101_e.pdf).
3. Environmental Impact Statements should be sent to and reviewed by the Network Board of Directors (or its delegate) for an assessment of potential environmental effects. If there are no significant environmental concerns, the proposal can be approved and funded by the BL-Network. If there are

significant environmental concerns, a more thorough examination should be carried out by the BL-Network Investigator, preferably equivalent to a screening under Section 16 (1) (a) to (d) of the *Canadian Environmental Assessment Act*. This more detailed report is submitted to the Network's Board. The Board, or its delegate, must review the detailed report and conclude if the environmental effects are significant, even after proposed mitigation measures are put in place.

NOTE: BL-Network Investigators will sign the Environmental Assessment forms for research projects under their responsibility.

Appendix F: The Access to Information Act and the Privacy Act (ATIP)

The *Access to Information Act* (ATI) gives Canadian citizens and people present in Canada a limited right of access to information in federal government records. The *Privacy Act* gives these same individuals a limited right of access to personal information about themselves held in government records and sets out rules and fair practices for the management of personal information by federal institutions. All information collected and generated in the context of the Networks of Centres of Excellence (NCE) programs that comes under the control of the NCE Secretariat and the granting agencies is subject to these laws.

It is important to remember that the ATIP is intended to complement, not replace, established channels of communication. The NCE Secretariat promotes open, informal communication with the research community and with the public. Contact the NCE Secretariat before using the acts.

The Access to Information Act

A requester seeking access to NCE Secretariat records under the *Access to Information Act* (ATIA) must write to the ATIP Co-ordinator at Natural Sciences and Engineering Research Council (NSERC) providing a precise description of the records sought and enclosing the appropriate application fee. Submitting a request does not guarantee that a requester will gain complete access to the requested records. The Act sets out specific exceptions and exemptions that apply in responding to such requests. For example, personal information about identifiable individuals or proprietary technical information submitted in confidence by researchers or companies would not be disclosed. Moreover, if a request requires a lengthy search or involves a large number of records, a requester could be asked to pay additional fees to help cover the processing costs.

More information about the Act can be obtained from the NSERC Access to Information and Privacy Co-ordinator (see below), the ATIP website (<http://www.tbs-sct.gc.ca/atip-aiarp/index-eng.asp>) or from Info Source, a published register of federal information holdings available in most large libraries or at www.infosource.gc.ca.

The Privacy Act

The *Privacy Act* gives people in Canada certain rights with respect to personal information about them held by federal institutions. For example, institutions must inform people from (or about) whom they collect personal information, how it will be used, and to whom it will be disclosed. Personal information may be used only for the purposes for which it was originally collected or for uses consistent with that purpose. The Act also contains a procedure for requesting correction of inaccuracies in personal information.

Making a request under the *Privacy Act* is similar to making one under the ATIA, except that there are no fees associated with requests to access personal information. The *Privacy Act* sets out limits to the right of access similar to those contained in the ATIA. For example, unless otherwise set out in advance, a person requesting access to personal information about themselves would not be given access to personal information about another.

Use and Disclosure of Personal Information Provided to the NCE Secretariat

The decision-making processes related to applications received by the NCE Secretariat are subject to more publicity than traditional grant or scholarship applications made to individuals. Successful applicants, co-applicants and other participants, including members of Boards of Directors, managers and other key players, should be aware that their names and affiliations will be accessible to the public. The NCE Secretariat routinely publishes and disseminates certain details about successful applications. These include: names and affiliations of applicants and co-applicants, the amount of the total award and any conditions attached to that amount, and summaries prepared by the applicant or by the Secretariat for public reference. The final reports of the NCE Secretariat selection committees or the Private Sector Advisory Board, providing an overview of a competition along with a summary of each application recommended for funding, are also publicly disseminated.

More detailed personal information about applicants and prospective administrators collected by the NCE Secretariat programs is used to review applications, to administer and monitor awards, and to promote and support research. Consistent with these purposes, applicants should also expect that personal information collected by the program might be used and disclosed in the following ways:

- i) As part of the review process, applications are disclosed to selection committees composed of experts recruited from the academic, private and public sectors. Applications may also be transmitted to external referees, to members of ad hoc review committees or to site visit committees for review. Individuals recruited by the NCE Secretariat programs to participate in these review activities are instructed to protect and to treat as confidential all information entrusted to them.
- ii) The substance of expert reviews and the comments of selection committees about a proposal are accessible to all co-applicants even though reviews may occasionally include comments about a particular co-applicant. Normally, NCE Secretariat staff provides these assessments as feedback to the principal applicant only; it is expected, however, that he/she will share it with co-applicants.
- iii) The NCE maintains a separate database, for the information collected through the annual reporting mechanisms of the different NCE Secretariat programs. Information collected is available to members of the NCE Management and Steering Committees or their delegates who are affiliated with a granting agency or other partners of the NCE Secretariat, including Industry Canada, Health Canada, the Canada Foundation for Innovation, the Canadian Institutes of Health Research (CIHR), the Social Sciences and Humanities Research Council (SSHRC) and NSERC.
- iv) Because of the relationship between the NCE Secretariat and its partners, staff of the NCE Secretariat is usually aware of other applications submitted by the same applicants or groups to other programs within the partners. For the purposes of adjudication and award administration, selection committees may be provided with information of co-applicants' proposals and awards in all programs. In cases when, for example, there is a question of possible overlap in the support of the same research activity by two or more programs, an application submitted to one program may be used during the review of an application submitted to another program. NCE Secretariat staff may also disclose the contents of applications to program staff in the agencies for the purposes of determining the most appropriate source of funding, jurisdiction, or to monitor overlap in federal support.

- v) The NCE Secretariat and its partners may use personal information about applicants in their files and databases to identify prospective committee members and reviewers for specific grant applications, planning and evaluation purposes, audits, and to generate statistics for these activities. The agencies may also use the information in their files and databases to generate distribution lists in order to disseminate publications and other information to the research community.
- vi) Data on the gender of applicants is collected by the NCE Secretariat on a voluntary basis only. While gender data on specific individuals is not used in the adjudication process, it may be used by the NCE Secretariat or its partners to promote the increased participation of a specific group in programs and on committees.

Applicants and participants in the NCE Secretariat programs are subject to the Tri-Agency Framework: Responsible Conduct of Research <http://www.rcr.ethics.gc.ca/eng/policy-politique/framework-cadre/> and their personal information may be used and disclosed consistent with this policy.

Information Provided to the NCE Secretariat

Information provided to the NCE Secretariat is subject to the *Access to Information Act* and the *Privacy Act*. Grant applicants and recipients are encouraged to separate information not related to the grant from meetings and documentation available to the NCE Secretariat and its representatives. Furthermore, applicants and recipients should adopt the practice of labelling information as confidential when the information contains:

- (a) trade secrets;
- (b) financial, commercial, scientific or technical information considered confidential;
- (c) information that could result in a material financial loss or gain or impact a competitive position;
and
- (d) information that could affect contractual or other negotiations.

Annual Reporting Information

Throughout the grant period, recipients of grants are required to provide information to the NCE Secretariat. The information collected is consolidated across the relevant NCE program(s) to generate statistical information, update operational requirements and identify best practices that may be used by staff and committees. Information used in public reports and publications is discussed with grant recipients in advance.

Non-disclosure and confidentiality agreements

Representatives of the NCE Secretariat will not enter into separate non-disclosure and/or confidentiality agreements.

For further information on the above Acts, please contact:

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Natural Sciences and Engineering Research Council of Canada
350 Albert Street
Ottawa, Ontario K1A 1H5
Telephone: 613-995-6214
Fax: 613-992-5337

Appendix G Annual Report Checklist

1. Statement of the Board of Directors	<input type="checkbox"/> Letter signed by the Chair of the Board of Directors
2. Summary of audits and evaluations.	<input type="checkbox"/> Summary of the results of audits and evaluations carried out during the fiscal year
3. Qualitative Report Template: <i>BL-NCE Qualitative Report 20XX-XX.doc</i>	<input type="checkbox"/> Completed qualitative report template (G1)
4. Statistical tables Template: <i>BL STATS 20XX-XX.xls</i>	<input type="checkbox"/> (G2) - General Network information: Network Members and participants; <input type="checkbox"/> (G3) - Network Research Personnel paid with BL-NCE funds or other funds, by affiliation, sectors, type, project and personal details; <input type="checkbox"/> (G4) - Publications and specialized training outputs; <input type="checkbox"/> (G5) - Links between researchers and private sector; <input type="checkbox"/> (G6) - Acceleration of commercialization resulting from BL-Network funding.
5. University and Private Sector Statement of Expenditures Template: <i>BL-NCE-Financial SOA 20XX-XX.xls</i>	<input type="checkbox"/> (G7) - Summary of Expenditures and Contributions Sheet; <input type="checkbox"/> (G8) - Contributions to the BL-Network Sheet; <input type="checkbox"/> (G9) - University and Other Organizations Expenditures of Matching Funds <input type="checkbox"/> (G10) – Other Organizations Expenditures using BL-NCE Grant Funds; <input type="checkbox"/> (G11a – G11j) – University Expenditures of BL-NCE Grant Funds (if applicable).
6. BL-Network Lists	<input type="checkbox"/> (G12) - Board of Directors (current members);

Template: <i>BL-NCE LISTS 20XX-XX.xls</i>	<input type="checkbox"/> (G13) - Other Committees (current members); <input type="checkbox"/> (G14) - Network Members and Other Participants; <input type="checkbox"/> (G15) - BL-Network Staff.
7. Free Form Reports	<input type="checkbox"/> Report on matters of conflict of interest; <input type="checkbox"/> Environmental reviews report; <input type="checkbox"/> Report on compliance with requirements for certain types of research (if applicable).
8. BL-Network corporate annual report	<input type="checkbox"/> Copy of the most recent annual report developed in accordance with the requirements of the corporation (if available).