



Government of Canada
Networks of Centres
of Excellence

Gouvernement du Canada
Réseaux de centres
d'excellence

Centres of Excellence for Commercialization and Research (CECR)

PROGRAM GUIDE

Table of Contents

Background of CECR Program	1
Program Objectives	1
Expected Results and Outcomes	1
Eligible Recipient Organizations	2
Application Requirements and Review Process	2
Stage I: Letter of Intent	2
Stage II: Full Proposals	2
Announcement of Competition Results	3
Selection Criteria	3
Benefits to Canada	3
Track Record and Potential of the Applicants	4
Strength of the Business Plan	4
Administration	4
Accountability Framework/Evaluation.....	5
Audit Framework	5
Funding Agreement	5
Reporting Requirements	5
Management	5
Board of Directors.....	6
Centre Director	6
Communications.....	6
Host Organization.....	7
Conflict of Interest.....	7
Intellectual Property and Benefits to Canada	7
Use of CECR Funds	7
Eligible expenses.....	7
Stacking provisions.....	8
Support for Capital Expenditures.....	9
Equipment	9
Applicant -Owned Companies	9
Contracts with Partners	9
Monitoring and Guidance	10
Major Changes	10
The <i>Access to Information Act</i> and the <i>Privacy Act</i>	10
Contact Us	11
Appendix A: Conflict of Interest and Policy Framework	12
1.0 Definitions	12
2.0 Disclosure	13
2.1 Financial Interest	13
3.0 Management of Conflict of Interest.....	13
3.1 Principles.....	14
3.2 Non-compliance	14
4.0 Review Process.....	14
Appendix B: Benefits to Canada	16
Working Guidelines	16
Mechanism for Reporting Due Diligence	16
Appendix C: The Access to Information Act and the Privacy Act (ATIP)	17
The Access to Information Act.....	17

The Privacy Act	17
Use and Disclosure of Personal Information Provided to the NCE Secretariat	17
Information Provided to the NCE Secretariat.....	19
Annual Reporting Information.....	19
Non-Disclosure and Confidentiality Agreements	19
Appendix D: CECR Eligible Expenses	20
Appendix E: CECR Review Criteria Assessment Guide	24
Appendix F: Environmental Review Requirements and Examples for Centres	27
Environmental Review Requirements	27
Example of Environmental Review Process.....	27

Background of CECR Program

The grants program for the Centres of Excellence for Commercialization and Research (CECR) program is a federal mechanism designed to support the operation of research and/or commercialization Centres that bring together people, services and research infrastructure to position Canada at the forefront of breakthrough innovations in priority areas.

The CECR program is overseen by a tri-agency Networks of Centres of Excellence (NCE) Steering Committee made up of the Deputy Minister of Industry (or delegate), the Deputy Minister of Health (or delegate), the Presidents of the three granting agencies and the President of the Canadian Foundation for Innovation (CFI) (as an observer).

Day-to-day administration of the CECR program is provided by the Networks of Centres of Excellence Secretariat.

The Secretariat runs periodic national competitive processes through which the Steering Committee selects successful Centres on the advice of international peer review and a Private Sector Advisory Board.

Program Objectives

The goal of the CECR program is to create internationally recognized Centres of commercialization and research expertise in four priority areas in order to deliver economic, social and environmental benefits to Canadians. As established in the S&T Strategy, the priority areas include:

- environmental science and technologies
- natural resources and energy
- health and related life sciences and technologies
- information and communications technologies

In the context of the CECR program, commercialization is defined as everything a firm does that transforms knowledge and technology into new goods, processes or services to satisfy market demands.¹

Expected Results and Outcomes

The program's goal is accomplished by investing in research and commercialization Centres that yield the following benefits:

Research-Related Benefits

- Create sufficient scale and focus to position Canada at the forefront of international research breakthroughs that will yield economic, social or environmental benefits to Canadians.
- Draw on existing research strength, infrastructure, networks and funding sources to enhance capacity.
- Attract top research talent (including postgraduate and postdoctoral students) from around the world.
- Provide high quality postgraduate and postdoctoral training in innovative and internationally competitive research.
- Strengthen domestic collaboration to address significant research challenges.
- Open up new opportunities for Canadian researchers to access world-class research equipment, facilities and networks.
- Develop relationships with major international centres and research programs.
- Brand Canada as the host of internationally recognized centres of excellence.

Commercialization-Related Benefits

- Create, grow and retain companies in Canada that are able to capture new markets with breakthrough innovations.

¹ People and Excellence: The Heart of Successful Commercialization, Volume 1: Final Report of the Expert Panel on Commercialization. Industry Canada. 2006, p.5.

- Accelerate the commercialization of leading edge technologies, goods and services in priority areas where Canada can significantly advance its competitive advantage.
- Draw on existing commercialization strength, infrastructure, networks and funding sources to enhance capacity.
- Attract investment (including foreign direct investment and venture capital).
- Attract and retain top talent (including internationally recognized business leaders).
- Strengthen domestic collaboration and ensure that benefits spill over to a wide array of firms, sectors and regions of the country.
- Open up new opportunities for Canadian firms to access world-class research equipment, facilities and networks.
- Develop relationships with major international centres and research programs.
- Brand Canada as the host of internationally recognized centres of excellence in commercialization of research results.

Centres with a strong commercialization orientation will be expected to become self-sufficient by the end of the funding period. Centres with a strong research orientation that yield significant public benefits within the funding period may be eligible for subsequent support in the event that the program is extended.

Eligible Recipient Organizations

Organizations eligible to receive funds are not-for-profit corporations created by universities, colleges, not-for-profit research organizations, firms and other interested non-government parties. As a condition of eligibility, organizations applying for CECR funds shall have an established Board of Directors responsible for the approval of its annual financial reports and audits.

Recipients that employ or retain the services of individuals who are current or former (in the last twelve months) public office holders or public servants are asked to certify compliance with the *Conflict of Interest and Post-Employment Code for Public Office Holders* and disclosure of the involvement of former public servants who are subject to the *Value and Ethics Code for the Public Service*.

Application Requirements and Review Process

Stage I: Letter of Intent

Applicants will submit Letters of Intent that describe the Centre, its operations and planned activities, required funding, members and supporting partners and their duties and respective contributions, and expected research and/or commercialization benefits for the project period.

Letters of Intent must include letters of support from other key funding organizations, including any provincial governments where they are expected to support the Centre during its development, construction, or operations during a 10-year planning horizon.

The Private Sector Advisory Board will assess the Letters of Intent against the program selection criteria, and recommend a short list of applicants to the Steering Committee for advancement to Stage II.

Stage II: Full Proposals

Centres advanced to Stage II will develop full project proposals, including complete information on the Centre and its intended operations, funding requirements, the partnerships among supporters, their duties and respective contributions, and the expected research and/or commercialization outcomes and benefits of the project. All partnership arrangements, contributions and allocations of benefits (such as intellectual property) among

parties must be fully described for a proposal to be considered complete.

A full CECR proposal consists of the following:

- I. A business plan addressing the CECR selection criteria (including a proposed budget).
- II. Curriculum Vitae information for the leaders of the Centres.
- III. Letters of support and summary of contributions the applicants secured from supporting organizations.

Complete proposals received by the NCE Secretariat by the established due date will then undergo a consultation and assessment process. Proposals will be distributed by the NCE Secretariat to CFI, the relevant granting agency(ies) and other relevant organizations (e.g., Business Development Bank of Canada, National Research Council Canada, regional agencies) for consultation and comment, including non-binding comment on the potential likelihood of support for the relevant activities of the proposed centre under their respective programming. The Secretariat will consult with provincial officials to identify provincial priorities and to secure their views on the project proposal(s) from their province.

Proposals will undergo review by Expert Panels established by the Secretariat, comprised of domestic and international experts, who will evaluate the project proposals, meet with applicants and produce in-depth written assessments of the proposals. The CECR Review Criteria Assessment Guide provided to the Expert Panel is included in Appendix E. This tool is used to help define the level of achievement (Outstanding, Excellent, Good and Fair) against the program sub-criteria.

The Private Sector Advisory Board will review each Expert Panel report and the comments from the parties consulted, and then recommend to the NCE Steering Committee priority Centres for approval. Centres failing to be endorsed by Expert Panels as having the potential to achieve excellence in research or

commercialization will not be eligible for program funding.

Once the NCE Steering Committee has approved the projects to be funded in a given round, the NCE Secretariat, working with the granting agencies, will prepare an integrated submission to the Treasury Board for approval to appropriate the funding to the granting agencies for recommended projects. Given the multi-disciplinary nature of the projects, funding for a given Centre may come from more than one granting agency, and so the NCE Secretariat will be the primary point of interaction for all project applicants throughout the life of their projects. 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) (the Natural Sciences and Engineering Research Council [NSERC], and/or the Social Sciences and Humanities Research Council [SSHRC] and/or the Canadian Institutes of Health Research [CIHR]).

The decisions reached by the NCE Steering Committee are final. There is no appeal process.

Announcement of Competition Results

A confidential evaluation report for each full proposal will be made available to each group of applicants. A public report from the NCE Steering Committee will provide an overview of the competition along with a summary analysis of each proposal recommended for funding.

Selection Criteria

To ensure that the program objectives are met, proposals are assessed against the three selection criteria outlined below.

Benefits to Canada

- The extent to which the Centre's research and/or commercialization program

addresses issues of high priority for Canada.

- The potential for the Centre's research and/or commercialization activities to yield significant economic, social, health or environmental benefits to Canadians.
- The likelihood that the Centre will create sufficient scale and focus to brand Canada as the host of an internationally recognized centre of excellence in the area.
- The likelihood that the Centre will strengthen domestic collaboration and ensure that benefits spill over to a wide array of firms, sectors and regions of the country.
- The opportunity to optimize resources, drawing on existing national and international research and/or commercialization strength, world-class infrastructure, networks and funding sources to enhance Canadian capacity.

Additional elements to consider, when commercialization is involved:

- The opportunity to create, grow and retain companies in Canada that are able to capture new markets with breakthrough innovations.
- Evidence that the Centre will help accelerate the commercialization of leading edge technologies, goods and services in priority areas where Canada can significantly advance its competitive advantage.

Track Record and Potential of the Applicants

- The achievements of the applicants and their ability to contribute to the Centre's research and/or commercialization program.
- The proven ability of the applicants to train and retain innovative and internationally competitive researchers in areas and technologies critical to Canadian productivity, economic growth, public policy and quality of life.

- The likelihood that the Centre will attract top talent from around the world (postgraduate and postdoctoral students, and internationally recognized business leaders in the case of Centres with a commercialization mandate).
- The ability of the applicants to attract investment (including, in the case of Centres with a commercialization mandate, foreign direct investment and venture capital).

Strength of the Business Plan

- Excellence, focus and coherence of the research and/or commercialization program.
- The extent to which the partnerships involve various levels of government and the private sector to complement the funding available through the granting agencies and the Canada Foundation for Innovation.
- The effectiveness of the plan to manage, protect and exploit intellectual property resulting from Centre-funded research.
- The likelihood for this investment to result in the creation of a sustainable, productive centre of excellence.
- The quality of the proposed organizational structure with appropriate representation on the Board of Directors and management team.
- Evidence that the applicants have in place an accountability framework likely to result in effective leadership and sound financial decision-making.

Administration

CECR grants are administered through the NCE Secretariat. The Centre will follow the rules of the CECR program guide and the rules of the *Tri-Agency Financial Administration Guide*. In the case of inconsistency or conflict between the requirements of the *Tri-Agency Financial Administration Guide* and those of the CECR program guide, the requirements of the latter shall prevail to the extent of the inconsistency or conflict. The Centre will

contact the NCE Secretariat to obtain a ruling on specific cases where clarification is required.

Centre Board of Directors must establish a process for environmental assessment which is comparable to the process established by NSERC in fulfillment of its obligations pursuant to the *Canadian Environmental Assessment Act*. Centres should refer to Appendix F of this Guide for an example of the environmental review process. All projects within the Centre shall be reviewed for potential environmental effects.

Centres must obtain appropriate certification for each project involving animals, human subjects, biohazards or radioactive materials. Centres must adhere to the *Tri-Council Policy Statement: Ethical Conduct for Research Involving Humans* located at <http://www.pre.ethics.gc.ca/eng/policy-politique/tcps-eptc/>.

Grants are made for specific purposes. The NCE Steering Committee expects grant holders to use their grant for that purpose and in accordance with the program's and their institution's policies and guidelines. The Steering Committee reserves the right to terminate or suspend a grant should the grant not be used for its intended purpose or should the recipient cease to meet the eligibility criteria. Amounts paid after the expiry of eligibility, or on the basis of fraudulent or inaccurate application, or in error, are subject to recovery action. The Secretariat may withhold an appropriate amount of the total grant payable to the recipient until it is satisfied that the recipient meets the eligibility criteria of the program.

Fraudulent use of CECR funds is referred to the appropriate legal authorities.

Accountability Framework/Evaluation

In order to measure and report on the results of the program, the Steering Committee will ensure that appropriate performance measurement systems are integrated into the

operational cycle of the Secretariat's activities. The CECR program has adopted a Results-based Management and Accountability Framework to provide for appropriate measuring and reporting of results. The framework includes key results to be achieved, the performance measurement strategy, the expected schedule for major evaluation work and the reporting provisions for both funding recipients and the Steering Committee.

Audit Framework

The need for internal audit and periodic monitoring of the control framework at recipient organizations is established as a function of risk. The CECR program is delivered by the NCE Secretariat which is managed by NSERC. The formal internal audit function at NSERC also covers the NCE Secretariat and the programs it delivers.

As a condition of eligibility, organizations applying for CECR funds shall have an established Board of Directors responsible for the approval of its annual financial reports and audits.

Funding Agreement

Following the announcement of the funding decision, and prior to the release of the award, a Funding Agreement (FA) is signed by representatives of the granting agencies and the designated representative of the host organization and the Centre Director. The FA outlines the terms and conditions for funding under the CECR program.

Reporting Requirements

Centres are required to provide Annual Reports to the NCE Secretariat. Details of reporting requirements and templates will be distributed by the NCE Secretariat to the Centres on an annual basis.

Management

Each Centre must have an administrative structure capable of managing a complex research and/or commercialization program. The particular structure varies according to the needs and size of the individual Centre and is approved by the NCE Steering Committee.

Board of Directors

Each Centre must appoint a Board of Directors that has the overall responsibility for its management, direction and financial accountability, including the approval of its annual financial report and audit. The Board of Directors of a Centre is accountable to the NCE Steering Committee for the CECR funds it manages. The names and affiliations of the members of the Boards of Directors are considered public information.

Prior to the release of funds, the Centre must submit an initial board membership which will be reviewed to confirm that it meets the requirements of the CECR program.

The membership of the Board must reflect the interests and concerns of the various stakeholders involved in the Centre. The Centre must advise the NCE Secretariat of any changes in membership of the Board during the course of funding. The NCE Steering Committee retains the right to name one voting member (not a staff member of a granting agency) to the Board. An NCE staff member has observer status on the Board of Directors of the Centre and also attends meetings of the Centre's committees.

The Board of Directors should consist of no fewer than twelve members. It is required to have some members on the Board who are not directly affiliated with the Centre. A majority of the members of the Board shall be from the industrial sector and/or the Centre's user community; and one third of the Board shall be composed of independent members.

Centre Director

Each centre has a Centre Director who reports to the Board of Directors. The Centre Director is responsible for strategic direction of the Centre. Other duties may include providing progress and financial reports as approved by the Board of Directors to the NCE Secretariat, recruiting the Centre personnel, acting on behalf of the Centre with the NCE Secretariat and promoting the Centre's objectives and activities to all relevant stakeholders, including the general public.

Communications

The competent management of communications is critical to the success of an individual Centre and the program as a whole. Centre activities, results and accomplishments should also be conveyed to external audiences, including potential participants from all sectors, public policy makers, the media and the general public. Consistency in the message is essential and, therefore, one appropriately qualified individual in each Centre should be responsible for coordinating all Centre communications efforts. Each Centre must develop a communications plan with a set of comprehensive objectives and activities designed to enhance interest in the Centre and its activities, and to promote the Centre and the CECR program to the broad spectrum of sectors that may benefit. Centres are encouraged to produce their public communiqués and publications in both official languages when possible.

The Centre's communications activities and messages must be consistent with, and complementary to, the CECR program objectives. They must acknowledge the contribution of the federal government, and the fact that the three granting agencies are partners in the CECR program.

Centres are expected to collaborate closely with the NCE Secretariat Communications Manager for their communications activities directed to an external audience.

Host Organization

The Centre, in collaboration with the Centre host, where appropriate, shall ensure that the Administrative Centre has suitable accommodation, as well as access to appropriate computer, communications and financial administration systems needed to serve as the administrative secretariat of the Centre. Particulars of the same shall be set out in a separate agreement between the Centre host and the Centre.

Conflict of Interest

The Centre shall adopt a code of conduct in its by-laws for directors, officers, employees and committee members designed to prevent real or perceived conflicts of interest. The code shall be no less stringent than the NCE Conflict of Interest Policy Framework attached as **Appendix A**.

Intellectual Property and Benefits to Canada

The ownership and disposition of intellectual property arising from Centre-funded activities must be governed by the arrangements described in the Funding Agreement.

Intellectual property resulting from Centre-funded activities must be promptly and concurrently disclosed by the Administrative Centre.

Sharing of Benefits and Costs

Agreements made regarding the ownership of the intellectual property resulting from Centre-funded activities must take into account the program objective of creating partnerships. This implies a sharing of eventual benefits between the partners commensurate with their respective contributions, as well as the sharing of costs to protect the intellectual property.

Commercialization

The industrial partners' contributions to the Centre must be recognized by allowing them

access to the commercial exploitation of the intellectual property under terms commensurate with the nature and level of their contributions. The arrangements with each corporate partner must be addressed in a Centre Affiliate Agreement.

A key CECR program objective is to advance Canadian economic and social development. Accordingly, every effort must be made to have the results of Centre-funded activities 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. 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 Centre-funded activities, or the agent acting on their behalf, will consult with relevant stakeholders on issues of commercialization. When selecting a receptor company for the exclusive license of the commercial rights of intellectual property resulting from Centre-funded activities, the agent or owners of intellectual property will use reasonable and thorough efforts to maximize benefits to Canada in a national and international context, including the possible development of new Canadian receptor companies. Due diligence in efforts to maximize benefits to Canada depends, in part, on the nature of the commercialization activities and on the window of opportunity. If there is evidence of negligence on the part of the Centre in performing the due diligence, the NCE Steering Committee reserves the right to impose sanctions as it deems appropriate. (See Appendix B for Working Guidelines.)

Use of CECR Funds

Eligible expenses

The program will provide support for the following eligible expenditures:

Operating Costs: Maintenance and operation of the facility, materials and supplies, liability insurance for members of the Board of Directors and Centre administrators, legal fees and other related incorporation costs.

Salary Costs: Salaries for technical and professional staff employed to provide support to users or to maintain and operate the facility. This would include staff providing commercialization support, such as a knowledge broker.

Knowledge Dissemination/Sharing Costs: Hosting professional and scientific conferences and lectures, dissemination and exchange of research results with others, including academia, governments, the not-for-profit sector and private sector; activities aimed at promoting science awareness, such as workshops and lectures open to the public; attending professional and scientific conferences and lectures.

Commercialization Costs: Specialized equipment and directly related operating costs (where the applicant is ineligible for support under the Canada Foundation for Innovation) and pre-commercialization support services (e.g., intellectual property protection, market studies, business plan development, counselling and mentoring, technology evaluation).

The CECR program may provide up to 50 percent of total eligible commercialization costs, and up to 75 percent of the other total eligible costs (as described above). The balance in funding must come from non-federal sources.

Please refer to Appendix D for a detailed list of eligible and ineligible expenses.

Stacking provisions

CECR funding is administered in the following environment:

- For each approved grant, the CECR program only funds a portion of the amount

requested due to financial and budgetary constraints. Because of this, the Centres are constantly seeking other sources of funds to finance their work. In fact, the CECR program encourages them to do so.

- When a grantee is successful in attracting other funding, the additional funds do not displace the grant provided by the CECR program. The Centre will use the additional funds to complement CECR funded activities by conducting additional work, hiring more personnel, or by widening the scope of its activities.
- The Centre must have a control framework to ensure that expenditures charged to its accounts are for the purpose intended by the grant.

The current principles and practices related to stacking of assistance are as follows:

- I. Access to CECR funds should be fair for all applicants, regardless of their other sources of funding.
- II. Applications are evaluated according to the program's selection criteria.
- III. Applicants must provide a statement of other sources of funding with their application, and on a yearly basis. There must be no duplication of funding for the same items. However, when Centres are supported by multiple sources, the additional benefits of CECR support must be well explained and justified. The maximum level (stacking limit) of total federal government assistance for this program will not exceed 75 percent of the costs being covered. In the event total federal government assistance to a recipient exceeds the stacking limit, it will be necessary for relevant federal agencies to adjust the level of assistance so that the stacking limit is not exceeded.

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

funding level. The consequence of not providing adequate information to enable a review committee to assess the relationship to other funding support is that the committee can recommend reduced or no funding.

Support for Capital Expenditures

Where a project involves capital equipment expenditures that are vital to the success of a commercialization project, the cost of that equipment will be considered an eligible expense provided: 1) the eligible recipient is not eligible for other federal programming that supports capital expenditures such as the Canada Foundation for Innovation, and 2) the equipment cost for which coverage is requested does not exceed \$1 million and, at most, 20 percent of the total eligible expenses for commercialization costs that can be provided under the CECR program. Expenses related to the construction, purchase or lease of a building are not eligible expenditures.

Equipment

Plans for the lease and ownership of equipment acquired with CECR funds must be included in the Centre's business plan and formalized through agreements and/or contracts. These provisions should detail how the equipped will be used by partner organizations during the five-year funding cycle, and also what will happen to the equipment when the funding cycle is complete. The NCE Secretariat recommends that any piece of equipment that may be shared among partners should have only one owner. The NCE Secretariat also recommends that the owner select a fixed location for the equipment and, depending on the mobility of the piece of equipment, prepare a schedule for its accessibility for the entire funding cycle.

Applicant -Owned Companies

Contributions made to the Centre by an applicant's own consulting company or sole proprietorship do not qualify as eligible matching funds to the CECR grant. Situations

where the applicant is a part owner are reviewed on a case-by-case basis. The applicant must contact the NCE Secretariat to obtain a ruling on specific cases where clarification is required.

The company's contribution is usually considered eligible if the following conditions are met:

- There is significant investment by sophisticated investors, indicating there has been an objective assessment of the commercial potential of the Centre's activities and the company's viability.
- The company has its own facilities, physically separated from those of the applicant (e.g., located off campus or in a university incubator facility).
- The company employs its own professional staff that is able to receive and incorporate the results of the Centre's research and/or commercialization activities into company operations.
- The company is under the effective day-to-day management control of someone other than the applicant.
- The company has a board of directors with external members (i.e., some of whose members, including the Chair of the Board, are at arm's length).
- The commercial activity conforms to the Centre's established policies relating to the disclosure of commercial interest and conflict of interest.

Contracts with Partners

CECR funds not used for expenses for internal Centre facilities or Centre activities (workshops or other external events) should be in the form of contracts. These contracts should cover all commercialization activities funded through call for proposals or target assignments with all types of suppliers (private sector companies, universities, not-for-profit organizations, or research and development facilities).

Monitoring and Guidance

A Centre's activities are subject to general overview and monitoring by the NCE Steering Committee through the NCE Secretariat. NCE staff may participate in the resolution of technical, financial or administrative difficulties, and may also provide advice and guidance related to the interpretation of the CECR program's objectives, rules and guidelines. Assistance may also be provided in the coordination of the Centre's activities with those of other Centres or of other government-sponsored initiatives, including the diffusion of Centre achievements.

Major Changes

Upon endorsement by the Board of Directors of a Centre, any major change that would affect the general mission of the Centre must be submitted to the NCE Steering Committee for approval prior to implementation.

The Access to Information Act and the Privacy Act

The CECR program is subject to the federal Access to Information Act and the Privacy Act. (See Appendix C for more details.)

Contact Us

If you have any question or require additional information, you can reach us at:

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Canada
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Appendix A: Conflict of Interest and Policy Framework

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

The NCE Steering Committee is the body ultimately responsible to the government, and therefore to taxpayers, for the integrity of all the Centres and their operations. The responsibility for implementing and managing the Conflict of Interest Policy Framework, to ensure that Centre operations and decisions are not biased by conflict of interest, is delegated to each Centre Board of Directors, which represents the highest authority in the management structure of the Centre. The Centre Boards of Directors are accountable to the NCE Steering Committee for the effective implementation and management of the Conflict of Interest Policy Framework. Individuals participating in the Centre, such as members of the Boards of Directors and advisory committees who do not receive CECR funds, are recognized as playing a unique role in the Centres. They bring an important perspective as a result of their particular knowledge, often as representatives of organizations in the field of interest of the Centre. Nevertheless, they are still required to disclose any financial interest or position of influence, as described in Section 2.0, in any business in the same area of interest as the Centre, other than that of their main employer.

The Conflict of Interest Policy is intended to enable the Centre Boards 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 Centre Boards of Directors, the Centre investigators and the administrators.

1.0 Definitions

"Administrative Centre" means the central administrative offices of the Centre.

"Avoidance" means refraining, or withdrawing, from participation in activities or situations that place an individual participating in the Centre in a potential, apparent or actual conflict of interest relative to his or her Centre duties and responsibilities.

"Board" means the Centre Board of Directors that is responsible for the overall management of the Centre and is accountable to the NCE Steering Committee.

"Conflict of interest" means a situation where, to the detriment or potential detriment of the Centre, an individual is, or may be, in a position to use research knowledge, authority or influence for personal or family gain (financial or other) or to benefit others.

"CECR" means the federal Centres of Excellence for Commercialization and Research program.

"Centre" means a corporation funded under the federal Centres of Excellence for Commercialization and Research program.

"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 Centre which could lead to a potential, apparent or actual conflict of interest.

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

"Financial interest" means an interest in a business in the same area as the Centre as described in Section 2.1 of this document.

"NCE Secretariat" means the secretariat through which the federal Networks of Centres of Excellence program, and the CECR program are delivered.

"NCE Steering Committee" means the committee comprised of the three granting agencies' Presidents and the Deputy Minister, Industry Canada, which has overall responsibility for the CECR program (with the President of the Canadian Foundation for Innovation serving as an observer).

"Centre Director" means the awardee of the CECR grant who is also a voting member of the Centre Board of Directors.

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

2.0 Disclosure

Upon joining the Centre, 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 Centre 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 Centre should identify their interests in all organizations working in the same sector as the Centre.

2.1 Financial Interest

It consists of:

- any material stock option (e.g., one percent) 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.

3.0 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 Section 2.0. 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.

3.1 Principles

An individual participating in the Centre 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 Centre decisions, including committee decisions, if the declared potential conflict of interest could influence the decision or actions of the Centre. 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.

3.2 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 Centre 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 Centre, or
- take appropriate action as determined by the Board.

4.0 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 Centre and the Board and, failing such mutual agreement, appointed by the NCE Steering Committee to act as an intermediary to scrutinize reports and budgetary information on project(s) in which the individual participating in the Centre 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 Centre. 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 Steering Committee. The NCE Steering Committee may request the Chair of the Board to respond in writing to the 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 Centre 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 his or her 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 Centre.
- Accepting gifts (other than some minor hospitality) or special favors for the individual or a family from private organizations with which the Centre does business.
- Influencing the purchase of equipment or materials for the Centre from a company in which the participant, the administrator or the director has a financial or other interest.

Appendix B: Benefits to Canada

Working Guidelines

A key CECR program objective is to advance Canadian economic and social development. Accordingly, every effort must be made to have the results of Centre research and/or commercialization activities 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. Maximum benefits would be derived from the creation of high quality jobs in Canada and this should be an important goal of any commercialization activity.

The owners of intellectual property resulting from Centre research and/or commercialization activities, or the agent acting on their behalf, will consult with relevant stakeholders on issues of commercialization. When selecting a receptor company for the exclusive license of the commercial rights of intellectual property resulting from Centre research and/or commercialization activities, the agent or owners of intellectual property will use reasonable and thorough efforts to maximize benefits to Canada in a national and international context, including the possible development of new Canadian receptor companies. Due diligence in efforts to maximize benefits to Canada depends, in part, on the nature of the commercialization activities and on the window of opportunity. The agent/owners of intellectual property resulting from Centre 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 and/or not-for-profit corporation in Canada with receptor capacity.
- Expansion of an existing company in Canada.

- Formation of a new company and/or not-for-profit corporation in Canada.
- Joint ventures or strategic alliances with a company and/or not-for-profit corporation 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 Centre Board of Directors, and through the Centre Board of Directors, to provide the NCE Steering Committee with 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 Centre.

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

The *Access to Information Act* 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 under the control of the NCE Secretariat and the granting agencies is subject to these laws.

It is important to remember that the *Access to Information Act* and *Privacy Act* (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* must write to the ATIP Co-ordinator at the Natural Sciences and Engineering Research Council of Canada (NSERC), providing a precise description of the records sought and enclosing an application fee (\$5.00 at the time of this writing). 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 Web page (<http://www.tbs-sct.gc.ca/atip-aiip/index-eng.asp>), or from Info Source, a published register of federal information holdings available in most large libraries and available 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 the correction of inaccuracies in personal information.

Making a request under the *Privacy Act* is similar to making one under the *Access to Information Act*, 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 *Access to Information Act*. 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 individual.

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. 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 the 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 NCE 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 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 provide 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 are 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.
- financial, commercial, scientific or technical information considered confidential;
 - information that could result in a material financial loss or gain or impact a competitive position; and
 - information that could affect contractual or other negotiations.

Applicants and participants in the NCE Secretariat programs are subject to the [Tri-Council Policy Statement: Integrity in Research and Scholarship](http://www.nserc-crsng.gc.ca/NSERC-CRSNG/Policies-Politiques/tpsintegrity-picintegritie_eng.asp) (http://www.nserc-crsng.gc.ca/NSERC-CRSNG/Policies-Politiques/tpsintegrity-picintegritie_eng.asp) 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:

- trade secrets;

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 in advance with grant recipients.

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:

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

Appendix D: CECR Eligible Expenses

CECR funds must be expended in view of the research and commercialisation objectives of the CECR Program and those stipulated in the Centre's strategic plan.

In order to assess the eligibility of costs, grantees should refer to the Use of Grant Funds section of the *Tri-Agency Financial Administration Guide* to determine which costs are eligible under the CECR program which can be found at: www.nserc-crsng.gc.ca/Professors-Professeurs/FinancialAdminGuide-GuideAdminFinancier/FundsUse-UtilisationSubventions_eng.asp.

Given the specific goals of the CECR program, there are eligible and non-eligible expenses that differ from those found in the *Tri-Agency Financial Administration Guide*. Those expenses are specified in the table below.

Eligible Expenses for the CECR Funds are channeled into supporting operating costs of the Centre. These include such expenses as salaries for the Centre's staff and maintenance of offices in Canada. The CECR funds may provide up to 50 percent of total eligible commercialization costs and up to 75 percent of the other total eligible costs. The maximum level (stacking limit) of total federal government assistance for this program will not exceed 75 percent of the costs being covered.

In case of doubt, and before engaging any funds, please contact your NCE liaison for further guidance.

A. Operating Costs	
<i>Maintenance and operation of the facility, materials and supplies, liability insurance for members of the Board of Directors and centre administrators, legal fees and other related incorporation costs.</i>	
<i>Specialized equipment and directly related operating costs (where the applicant is ineligible for support under the Canada Foundation for Innovation).</i>	
<i>Salaries for technical and professional staff employed to provide support to users or to maintain and operate the facility; this would include staff providing commercialization support, such as a knowledge broker.</i>	
<i>Hosting professional and scientific conferences and lectures; dissemination and exchange of research results with others including academia, governments, the not-for-profit sector and private sector; activities aimed at promoting science awareness such as workshops and lectures open to the public; attending professional and scientific conferences and lectures.</i>	
1. Operations	
Eligible Expenses	Ineligible Expenses
Office supplies (stationery for the administrative centre). Office Equipment (i.e., fax, computers, printers).	Expenses related to the construction, purchase, lease of a building or building space.

<p>Two communication devices for CECR purposes only.</p> <p>Internet Access (web connection fees while traveling on business).</p> <hr/> <p>Contracting of services only where necessary to provide services and expertise not available within the Centre (i.e., consultant fees, costs for special accounting services).</p> <hr/> <p>Maintenance and operation of the facility such as:</p> <ul style="list-style-type: none"> • administrative support; • personnel support; • financial services; • telephone lines and equipment; • furniture; • other direct operating costs to be approved on a case-by-case basis by the NCE Secretariat. <hr/> <p>Maintenance and repairs, including maintenance contracts.</p> <hr/> <p>Costs to obtain liability insurance for members of the Board of Directors and Centre administrators.</p> <hr/> <p>Legal fees, audit costs and other related incorporation costs for the Centre.</p>	<p>Cost of equipment, installation and construction or renovation that would be deemed eligible under a CFI infrastructure project.</p>
<p>2. Salaries</p>	
<p>Contributions from the CECR funds towards the total annual remuneration (fixed or variable) of each Centre staff must not exceed \$120,000 full time equivalent (excluding benefits). This maximum 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>Salaries and stipends for research purposes.</p> <p>Honoraria/stipends for International Scientific Review Board members.</p> <p>Honoraria/stipends for External Reviewers.</p> <p>Remuneration for Board of Directors</p>

<p>Non-discretionary benefits (i.e., workplace safety insurance coverage costs for Centre staff, pension benefits). The contributions from the CECR funds towards the costs of the benefits package should not exceed 20 percent of the employees' salary.</p>	<p>members.</p> <p>Discretionary severance and separation packages.</p> <p>Routine courses (Excel, time management, language training, etc.).</p>
<p>3. Knowledge Dissemination/Sharing</p>	
<p>The costs associated with participation of the Centre's representatives (personnel, partners, invited speakers and members of Centre boards and committees) at professional and scientific conferences and lectures as well as Centre events and meetings, including travel and accommodation costs.</p> <hr/> <p>Hospitality costs (non-alcoholic refreshments or meals) for networking purposes (i.e., Board and standing committees and International Scientific Advisory Board meetings; strategic planning meetings with stakeholders). Newsletters/brochures, annual reports, printing and mailing costs, public relations associated expenses (i.e., display booths, press conferences).</p> <hr/> <p>Financial contributions to special events in Canada are eligible but must remain within the spirit of the CECR guidelines on eligible expenses.</p> <hr/> <p>Financial contributions to international events are limited to communications activities and/or costs related to networking (i.e., travel, registration fees, exhibit space rental).</p> <hr/> <p>CECR funds can be used to cover communications activities as long as the activity is approved by the Centre's Board of Directors and is in line with the Centre's Board approved communications strategy.</p> <hr/> <p>Marketing activities for the Centre as approved by the Board of Directors.</p> <hr/> <p>Promotional material for conferences.</p>	<p>Travel and accommodation expenses for participants coming to scientific conferences and lectures hosted by the Centre.</p> <hr/> <p>Hospitality costs for meetings attended only by Centre staff.</p> <hr/> <p>Gifts.</p> <hr/> <p>Alcoholic refreshments.</p>

<p>Dissemination and exchange of research results with others including academia, governments, the not-for-profit sector and private sector; activities aimed at promoting science awareness, such as workshops and lectures open to the public; attending professional and scientific conferences and lectures.</p>	
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<p>B. Commercialization Costs</p> <p><i>Pre-commercialization support services (e.g., intellectual property protection, market studies, business plan development, counselling and mentoring, technology evaluation).</i></p> <p><i>Market studies: Subject to the approval by the Board of Directors (market studies to determine the market potential for a CECR-generated development or to determine the appropriate market(s) for a development).</i></p> <p>** Some Salary Costs may fall under Commercialization Costs.</p>
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<p>Materials and supplies related to the direct costs of research.</p> <hr/> <p>Technology evaluation and prototype development, subject to approval by the Board of Directors, provided that due diligence has been used to find a partner to share in the costs for development, normally on a matching basis.</p> <hr/> <p>Intellectual property protection: normally on a matching basis</p> <hr/> <p>Business plan development, consulting and technology evaluation</p> <hr/> <p>Contracting of services only where necessary to provide services and expertise not available within the Centre.</p>	<p>Cost of research done by a university researcher under a spin-off company.</p>
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Appendix E: CECR Review Criteria Assessment Guide

	Sub criteria	Outstanding	Excellent	Good	Fair
Benefits to Canada	Relevance	The Centre's commercialization program and activities address multiple issues of high priority for Canada and respond to commitments in the Federal Budget, the S&T Strategy and other government policy.	The Centre's commercialization program and activities address some issues of high priority for Canada and respond to commitments in the S&T Strategy.	The Centre's commercialization program and activities address a number of limited issues of priority for Canada.	The Centre's commercialization program and activities address issues of interest for Canada.
	Significant benefits	The Centre's commercialization activities will yield a high return on investments through significant and measurable economic, social, health or environmental benefits to Canadians.	The Centre's commercialization activities will yield clear return on investments through measurable benefits to Canadians.	The Centre's commercialization activities are likely to yield a return on investments through economic, social, health or environmental benefits to Canadians.	The Centre's commercialization activities will possibly yield a return on investments.
	Internationally recognized	The Centre will bring overwhelming resources to allow the venture to surpass similar international centre and will brand Canada as the host of an internationally recognized Centre of excellence in the area.	The Centre will bring adequate resources to allow the venture to surpass similar Canadian centre and compete against similar international organizations.	The Centre will bring sufficient resources to allow the venture to equal similar Canadian centre.	The Centre could bring resources to allow the venture to be measured against similar Canadian centres.
	Wide spill effect	The Centre will strengthen domestic collaboration and ensure that benefits spill over to a wide array of firms, sectors and regions of the country by building synergies with other Canadian groups/organizations active in this field.	The Centre will strengthen domestic collaboration by building synergies with other Canadian groups/organizations active in this field.	The Centre will strengthen collaboration with a focused group of firms and sectors.	The Centre will improve domestic collaboration between some firms and institutions.
	Resources optimization	The Centre will fully capitalize on existing national and international commercialization, world-class infrastructure, facilities and funding sources (at all governmental and private sector level) to enhance Canadian capacity.	The Centre will capitalize on existing national and international commercialization, world-class infrastructure, facilities and funding sources to enhance sectoral capacity.	The Centre will use existing national infrastructure, facilities and funding sources to enhance regional capacity.	The Centre will use existing regional infrastructure and funding sources to enhance regional capacity.
	Capture new markets	The Centre will create, grow and retain multiple companies of various sizes in Canada through established infrastructures and client base to nurture new companies. These companies in turn will capture new markets with many breakthrough innovations	The Centre will create, grow and retain companies in Canada through established infrastructures and client base. These companies in turn will capture new markets with many breakthrough innovations	The Centre will grow and retain some SMEs in Canada through established infrastructures and client base. These companies in turn will develop new markets with many qualitative innovations	The Centre will retain a limited number of SMEs in Canada. These companies in turn will rely on existing market to commercialize innovations
	Accelerate commercialization	The Centre will have a material impact on domestic sales and international exports by accelerating the commercialization of leading edge technologies, goods, services to significantly advanced the competitive advantage of Canadian companies.	The Centre will have a material impact on domestic sales by accelerating the commercialization of innovation to significantly advanced the competitive advantage of some Canadian companies.	The Centre will have material impact on domestic sales by accelerating the commercialization of innovation.	The Centre will allow Canadian companies to maintain their competitive advantage.

Track Record and Potential of the Applicants	Achievements of the applicants	The applicants have very successfully developed and commercialized products and services before and where directly responsible for the success of the endeavor. They demonstrate full awareness of the resources required, the market opportunities and potential application.	The applicants have successfully developed and commercialized products and services before and where involve in the success of the endeavor. They demonstrated understanding the resources required and potential application.	The applicants have successfully collaborate to products and services commercialization before. They have proposed adequate resources in their plan and presented the market opportunities.	The applicants have collaborate to products development in the past.
	Train and retain researchers	The applicants are internationally recognized researchers or business people with the proven ability to train and retain innovative and internationally competitive researchers in their area.	The applicants are internationally recognized researchers or business people with the ability to train and retain innovative and internationally competitive developers and researchers in their area.	The applicants are recognized researchers or business people with the ability to train and retain innovative developers and researchers in their area.	The applicants are researchers or business people with the interest to train and retain innovative developers and researchers in their area.
	Attraction capacity	The Centre will attract top talent from around the world (researchers, post-graduate and post-doctoral students) and internationally recognized business leaders based on a solid a plan with adequate resources and the international reputation of the applicants.	The Centre will attract Canadian top talent (researchers, post-graduate and post-doctoral students) and recognized business leaders based on a solid a plan with adequate resources.	The Centre will attract Canadian talent (researchers, post-graduate and post-doctoral students and internationally business leaders) with adequate resources.	The Centre will attract Canadian business leaders and academic talents.
	Investment attraction	The applicant demonstrated ability to attract investments will allow the Centre to leverage the CECR funding ten times or mores, including foreign investment and venture capital in organizations supported by the Centre .	The applicant demonstrated ability to attract investments will allow the Centre to leverage the CECR funding from one to ten times, including in organizations supported by the Centre .	The applicant ability to attract investments will allow the Centre to provided the needed contributions to match the CECR grant.	The applicant is not able to capture other sources of funding to match the CECR grant.
Strength of the Business Plan	Focused commercialization program	The commercialization program propose introducing disruptive technology and services trough an excellent and focused approach.	The commercialization program does not only propose improving existing technology or services but will aim at introducing disruptive technology and services trough an excellent and focused approach.	The commercialization program is mainly built on improving existing technology or services. Some activities will be focused around potentially disruptive technology and services.	The commercialization program propose improving existing technology or services.
	Complementary partnership	The proposals partnerships are strong and broad based and involve various levels of government and the private sector to complement the funding available through the granting agencies and the Canada Foundation for Innovation.	The proposal involves valuable partnerships with some government organizations and firms to complement the funding available through the granting agencies and the Canada Foundation for Innovation.	The proposal is partnering with organizations that could complement the funding available with limited in-kind contribution.	The Centre will be partnering with a number of limited organizations not offering direct benefits.
	IP Management	The proposal include a fully developed IP plan supported by the Center's partners. The plan was tested for its effectiveness to manage, protect and exploit intellectual property resulting from Centre-funded activities.	The proposal include a IP plan supported by the Center's partners.	The proposal include a IP policy supported by the Center's partners.	The proposal include a process to negotiate IP agreements.
	Sustainability	The vision and strategic plan confirm that investments made into the Centre will result in the creation of a productive organization with outcomes that will outlast the initial funding period of 5 year thought long term partnership and financial commitments.	The applicants believes that investments made will result in the creation of a productive organization that will outlast the initial funding period.	The Centre has the intention to develop a plan to maintain the operation of the Centre or transfer the acquired resources to an sustainable institution.	The proposal present a vague idea of post funding activities and sustainability.

	Governance	The proposal presents a clear and strong governance regime with specific experienced Board of Directors members and management team for all positions. Relationships between the Centre and partners are also clearly defined.	The proposal presents a strong governance regime with specific Board of Directors members and management team for all positions. Relationships between the Centre and partners are also sketched.	The proposal presents a clear governance regime without offering specific names for all position.	The proposal presents a vague governance regime leaving some questions unanswered.
	Accountability framework	The proposal include a very strong performance measurement framework with related accountabilities that offers milestones and annual objectives that show effective leadership and sound financial decision-making	The proposal include a strong performance measurement framework that offers milestones and annual objectives.	The proposal include a performance framework that offers some milestones and annual objectives. Metrics and objectives cannot be easily measured.	The proposal include limited annual objectives or milestones. Financial and administrative processes are vague.

Appendix F: Environmental Review Requirements and Examples for Centres

Environmental Review Requirements

Environmental review requirements for Centres:

- An environmental review shall be carried out on all projects selected for funding by the Centre and on funded projects when the methodology changes significantly during the course of the funding period.
- The Board of Directors may choose to carry out the environmental review itself or to delegate this task, for example, by appointing a sub-committee or hiring consultants.
- Funds shall only be released after the project has undergone an environmental review and the Centre has determined that no significant adverse effects on the environment are expected. The Centre should make awards conditional upon a satisfactory environmental review.
- If the Board of Directors or its delegate determines that the environmental effects of a project are significant, the project will not be funded by the Centre. In such cases, the result of the environmental review and the Board of Directors' decision shall be communicated to the recipient and to the NCE Secretariat.
- The Centre must report annually to the NCE Secretariat a summary of their environmental review process and the results of the completed reviews.

Example of Environmental Review Process

What follows is an example of an environmental review process. While the steps may be adapted or modified according to its own situation, each Centre must set up its own process, which is comparable to the process established by NSERC in fulfillment of its obligations, pursuant to the NSERC Policy on Environmental Assessment : (http://www.nserc-crsng.gc.ca/NSERC-CRSNG/Politiques-Politiques/enviroassess-enviroeval_eng.asp) and to the Canadian Environmental Assessment Act (CEAA) (<http://laws.justice.gc.ca/en/C-15.2/index.html>):

In most cases, the review will be straightforward and should be based on the applicant's self-assessment of the project, as per appendices A and B of NSERC's Form 101 found at:

http://www.nserc-crsng.gc.ca/OnlineServices-ServicesEnLigne/pdf/F101_e.pdf

The level of review will depend on the applicant's response and the complexity of the project. In principle, most laboratory 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, recipients must attest to that fact in the proposal. (See page 1 of NSERC's Form 101)
2. For projects in which at least one activity takes place outdoors, the recipient 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 - http://www.nserc-crsng.gc.ca/OnlineServices-ServicesEnLigne/pdf/F101_e.pdf).

Environmental Impact Statements should be sent to and reviewed by the Board of Directors of the Centre (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 Centre.

If there are significant environmental concerns, a more thorough examination should be carried out by the recipient preferably equivalent to a screening under sections 16(1)(a) to (d) of the *Canadian Environmental Assessment Act* (<http://laws.justice.gc.ca/en/c-15.2/index.html>). When preparing this more detailed report, it will be important to also take into account Sections 16.1, 18(1) to (3), 20(1.1) and 20(2) of the CEAA. The report is to be submitted to the Board of the Centre. The Board, or its delegate, must review the detailed report and determine whether or not the environmental effects are significant, even after proposed mitigation measures are put in place.