

INDUSTRIAL R&D INTERNSHIP (IRDI) PROGRAM GUIDE

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Background of the IRDI Program

The Industrial R&D Internship Program (IRDI) is a federal mechanism whereby, through a competitive, peer reviewed process, successful recipient organizations are funded to take on the responsibility of matching graduate students and post-doctoral fellows with private sector organizations for private sector research internships. The interns will work on research projects jointly developed by their industrial partner and academic supervisor. To maximize private sector engagement, the matching of interns and private sector organizations will be an ongoing process.

The Industrial R&D Internship Program is overseen by the tri-agency Networks of Centres of Excellence (NCE) Steering Committee made up of the Deputy Minister of Industry Canada, the Presidents of the three 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) – and the President of the Canada Foundation for Innovation (as an observer).

Day to day administration of the Industrial R&D Internship Program is provided by the NCE Secretariat, which reports administratively to NSERC.

Program goal

The goal of the IRDI Program is to introduce graduate students and post-doctoral fellows to practical business problems and provide them with the opportunity to apply their scientific and technical expertise to address the needs of participating businesses, as well as to create a vehicle that will facilitate increased private investment in R&D. The IRDI program is open to all research areas.

Expected results and outcomes

To compete and win through the application of new technologies and innovative solutions, Canadian businesses need to increase Science and Technology (S&T) investments and hire more talented science and technology graduates. The IRDI Program aims at creating additional opportunities for skilled graduates by linking them with businesses that can make use of their talents. The overall result of this program will be an increase in S&T activities of businesses with a corresponding increase in S&T jobs for trained graduates. Specific outcomes of this program include:

Immediate outcomes (during award period)

- New S&T solutions developed for business needs.
- Private sector exposure to S&T benefits.
- Strengthened linkages between businesses and universities.
- Increased private sector investment in S&T.
- New positions for S&T graduates.
- S&T graduates exposed to real world business problems.

Intermediate/long term outcomes

- Increased number of graduates with research, user-sector skills and know-how.
- Enhanced use of S&T graduates by the private sector.
- Longer term S&T positions created by business, i.e., more job opportunities in Canada for S&T graduates.
- Change in business culture that will lead to increased and sustainable business S&T activities and long term university-private sector collaborations.

Eligible Recipients

Eligible recipient organizations

Organizations eligible to receive funds to administer an IRDI initiative are not-for-profit organizations, including:

- Existing Networks of Centres of Excellence.
- Fourth-pillar organizations (that provide a facilitating and catalytic role among the three traditional pillars in our economy: industry and business, universities and colleges, and government).
- Consortia of firms, universities and/or colleges.

As a condition of eligibility, organizations applying for IRDI funds must have an established Board of Directors responsible for the approval of its annual financial reports and audits. Recipient organizations are also required to sign an agreement that will outline a set of financial controls that they agree to adhere to. Federal government departments or agencies are not eligible to apply.

Eligible internship recipients

Eligible interns are graduate students and post-doctoral fellows enrolled in a Canadian institution which is eligible to receive and manage funds under the guidelines of the granting agencies (including the requirements of the *Memorandum of Understanding on the Roles and Responsibilities in the Management of Federal Grants and Awards*), in any area of research provided that their skills are sought by the participating firm to support innovation by the firm.

Eligible Private Sector Host Organizations receiving IRDI interns

Private Sector Host Organizations are companies providing products and services, with revenues deriving from the sale of these and operating in Canada, and public utilities with most of their revenues deriving from non-

governmental sources. Internships should be in Canada.

IRDI Program Criteria & Review Process

Program criteria

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

Benefits to Canada

- Likelihood for greater and more productive involvement of graduates in research and innovation conducted by the private sector.
- The extent to which there will be increased number of graduates with both research and business skills and know-how.
- The potential for strengthened collaboration between university and industry, beyond the term of the internship.

Strength of the business plan

- Track record of the recipient organization in delivering similar program(s).
- Strong, existing university-industry collaborative research programs and broad, established partnerships (between the organization managing the internships and the industry/business partner).
- Strong delivery model (good process for the management of the program, and skilled business development officers identified).
- Ability to attract funding partners.
- A process to ensure that industry receptors are engaged.
- A well articulated selection process of individual internships.
- Description of a good match-making process to catalyze the relationship between the industry and students, including a recruitment strategy, both for industrial receptors and interns.
- A governance structure that is accountable for the progress and monitoring of the program.

- Clear and attainable objectives and milestones.
- Cost effective management of the internship initiative.
- Capacity to deliver a minimum of 100 internships per year.
- A mechanism to ensure that students will be able to complete their degree requirements while participating in the internship.

Review and decision process

Proposals undergo a review by an Interdisciplinary Expert Panel established by the Secretariat, comprised of Canadian and international experts. The panel evaluates the project proposals against the program selection criteria, recommends to the NCE Steering Committee priority proposals for approval and produces in-depth written assessments of the evaluated proposals.

Full applications

Recipient organizations receive IRDI program funding to manage an internship initiative through which they facilitate the co-funding of interns to undertake research on site with a private sector partner.

A full application must consist of:

- Description of the IRDI Initiative proposed
- A business plan addressing the IRDI Program selection criteria (includes a proposed budget)
- Letters of support and summary of contributions the applicant organizations have secured from supporting partners (20 maximum)

Reporting Requirements

Annual and final reports

Recipients will be asked to provide annual progress reports to the NCE Secretariat. Recipients who manage an IRDI Initiative will be required to:

- Submit a progress/statistical report to the NCE Secretariat (with information on number of interns placed, number of students hired by industry following the internship, etc.) and results of satisfaction surveys of all parties involved (i.e., interns, academic supervisor, industrial supervisor).
- Submit a final performance report, summarizing the results and value-added of the IRDI initiative to the organization and Canada within six months after the end of the initiative's term.
- Participate in a follow-up survey conducted to assess the longer term benefits and impact of the IRDI initiative.

Details of reporting requirements will be sent out by the NCE Secretariat on an annual basis.

Administration

The recipient will follow the rules of the IRDI Program Guide and the rules of the Tri-Agency Financial Administration Guide (http://www.nserc-crsng.gc.ca/professors_e.asp?nav=profnave&bi=toctoc_fin). In the case of inconsistency or conflict between the requirements of the Tri-Agency Financial Administration Guide and those of the IRDI Program Guide, the requirements of the latter shall prevail to the extent of the inconsistency or conflict.

Recipients must obtain appropriate certification for each project involving animals, human subjects, biohazards, or radioactive materials. The recipient organization must adhere to the Tri-Council Policy Statement Ethical Conduct for Research Involving Humans located at <http://www.pre.ethics.gc.ca/english/policystatement/policystatement.cfm>.

Grants are awarded for specific purposes. Grant holders are expected to use their grant for that purpose and in accordance with the Program's and their institution's policies and guidelines. The NCE 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 IRDI funds will be referred to the appropriate legal authorities.

Basis and timing of payments

Payment of grants is through NSERC and is authorized by the NCE Steering Committee. The grant awarded to successful recipient organizations will be released subject to:

- There being an appropriation by Parliament for the fiscal year in which payment is to be made.
- Satisfactory progress toward achieving milestones of the recipient organization's Strategic Plan, as determined by the NCE Secretariat (e.g., following an annual review).
- Continued eligibility of the organization's partners and the organization.
- Terms and conditions of the Funding Agreement.

Funds will be provided to the recipient organization on the basis of a payment schedule prepared by the recipient organization based on their anticipated needs and submitted to the NCE Secretariat.

Environmental review policy for recipients of IRDI funds

All recipient organizations must pay careful attention to environmental considerations in their decision to fund internships. The organization's Boards of Directors shall establish a process for environmental review, 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.ca/professors_e.asp?nav=profnav&lbi=p10) and to the Canadian Environmental Assessment Act (CEAA) (<http://laws.justice.gc.ca/en/C-15.2/index.html>). All internship proposals to be funded shall be reviewed for potential environmental effects.

Environmental review requirements for organizations Receiving IRDI Funds:

- An environmental review shall be carried out on all projects selected for funding by the organization managing the IRDI initiative 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.
- Funds shall only be released to the academic supervisor of the intern after their projects have undergone an environmental review and the organization managing the IRDI initiative has determined that no significant adverse effects on the environment are expected. The organization managing the IRDI initiative should make awards conditional pending 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 organization managing the IRDI initiative. In such cases, the result of the environmental review and the Board of Directors' decision shall be communicated to the academic supervisor, interns and the private sector partners involved and to the NCE Secretariat.
- The organizations managing the IRDI initiative must report annually to the NCE Directorate a summary of their environmental review process and the results of the reviews done.

Recipient organizations should refer to Appendix D of this guide for an example of the environmental review process.

Funding agreements

Following the announcement of the funding decision and prior to the release of the first instalment of the award, a funding agreement (FA) is signed by representatives of NSERC and the designated representative of the recipient organization. The FA outlines the terms and conditions for funding under the NCE program.

Agreements with Partners

Grants should not be paid until signed grant agreements are in place confirming partnership arrangements, contributions and allocations of benefits (such as intellectual property). These agreements should be available to the NCE Secretariat upon request.

Management

Each recipient organization must have an administrative structure capable of managing the IRDI initiative.

Board of Directors

Organizations managing an IRDI initiative must have an established Board of Directors that has the overall responsibility for the management, direction and financial accountability of the IRDI initiative, including the approval of its annual financial report and audit. The Board of Directors of a recipient organization shall be responsible for the governance. Management of the Recipient Organization and shall act in accordance with the IRDI Program Guide and the Funding Agreement. The names and affiliations of the members of the Board of Directors are considered public information.

The membership of the Board must reflect the interests and concerns of the various stakeholders involved in the organization. The organization managing the IRDI initiative 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 recipient organization and also attends meetings of the organization's committee(s).

The Board of Directors should consist of no fewer than 10 members. The Board should include some members who are not directly affiliated with the organization managing the IRDI initiative. A majority of the members of the Board shall be from the industrial sector and/or the recipient organization's user community; and 1/3 of the Board shall be composed of independent members.

IRDI Program Director

The IRDI Program Director reports to the Board of Directors of the recipient organization and is responsible for providing leadership and strategic direction for the IRDI initiative. Other duties may include but are not limited to: providing progress and financial reports as approved by the Board of Directors to the NCE Secretariat; acting on behalf of the organization with the NCE Secretariat; and promoting the program's objectives and activities to all relevant stakeholders including the general public.

Communications

The competent management of communications is critical to the success of the IRDI initiative and the program. Effective internal communications are also vital.

The IRDI initiative activities, results and accomplishments should 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 a qualified individual in the organization managing the IRDI initiative should be responsible for coordinating all communications efforts. The organization must develop a communications plan with a set of

comprehensive objectives and activities designed to enhance interest in the IRDI program and its activities and to promote the IRDI program to the broad spectrum of sectors that may benefit.

The organization managing the IRDI initiative is encouraged to produce its communiqués and publications in both official languages when possible.

IRDI communications activities and messages must be consistent with and complementary to the NCE program communications plan. They must acknowledge the support of the federal government through the Networks of Centres of Excellence program.

The organization managing the IRDI initiative is expected to collaborate closely with the NCE Communications Manager when appropriate, such as for major announcements involving representatives of the federal government.

The Recipient Organization is expected to coordinate their activities with all other organizations running similar type of programs in order to avoid overlap and duplication. The Recipient Organization is also expected to work

together with such organizations on promoting their programs.

(Please note: NCE communications guidelines and policies are under review and this section of the guide may be amended at a later date).

Organization managing the IRDI initiative

The organization managing the IRDI initiative is responsible for: providing suitable space to house the Administrative Centre of the IRDI initiative; receiving and distributing funds to participating institutions (Canadian institutions eligible to receive and manage funds under the guidelines of the granting agencies) as approved by the Board of Directors; providing accounting and financial reporting for IRDI funds and contributions to the organization from other sources as required by the NCE Secretariat; and providing suitable support to assist the IRDI Program Director in his or her responsibilities as stipulated in the FA.

Intellectual Property

The NCE Secretariat and NSERC make no claim to ownership of intellectual property from the research they fund.

Use of IRDI Funds

Eligible expenses

In general, the regulations of the granting agencies regarding allowable expenses also apply to NCE awards. There are however some exceptions. The following table is a non-comprehensive list of eligible and ineligible expenses under IRDI funding. For clarification, contact the NCE Secretariat.

Eligible Expenses	Ineligible Expenses
<p>IRDI Program Director (IRDI initiative) salary:</p> <p>Subject to the approval of the IRDI Board of Directors and the employer of the Director.</p> <p>Note: Contributions from the IRDI funds towards the total annual remuneration (fixed or variable) of each Recipient Organization staff member 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>Support services provided by the host institution such as:</p> <ul style="list-style-type: none"> • Construction and maintenance of buildings • Administrative support • Personnel support • Financial services • Telephone lines and equipment • Library and building services • Insurance other than liability insurance
<p>Stipends to interns:</p> <p>The total value of the internship stipend must be a minimum of \$10K for a period of four to six months (no less than four months). The federal contribution can not exceed 50 per cent of the total eligible cost of these activities.</p>	<p>Furniture</p>
<p>Administration costs:</p> <p>Eligible expenses include the following operating costs, where these are attributable to the specific initiatives undertaken under the IRDI grant:</p> <ul style="list-style-type: none"> • General administration and project management costs incurred by the recipient organization, including costs associated with student selection committees. • Salary of business development officers to promote internship opportunities to potential students, partner organizations and academic supervisors. • Salaries and benefits for IRDI Program Staff in line with guideline practices used by the participating Institutions. • Travel and accommodation costs for interns. • Travel for members of IRDI Board of 	<p>Discretionary severance and separation packages</p>

Directors and committees, Business Development Officers and IRDI personnel. Note: Eligible administrative costs may not exceed 25% of the total amount of the IRDI grant held by the recipient organization. The federal contribution may be up to 100% of the total eligible administrative costs.	
Communications activities.	
Costs to obtain liability insurance for members of the Board of Directors and recipient organization administrators.	
Contracting of services only where necessary to provide services and expertise not available within the recipient organization.	

Stacking provisions

The maximum level (stacking limit) of Total Government Assistance (federal, provincial and municipal assistance for the same eligible expenditures) for this program will not exceed 75% of eligible expenditures.

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

- Access to Industrial R&D Internship Program funds should be fair for all applicant organizations, regardless of their other sources of funding.
- Applications are evaluated according to the program's selection criteria.

Organizations managing the IRDI initiative 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 applicants are supported by multiple sources, the incremental benefits of Industrial R&D Internship Program support must be well explained and justified.

In the event total 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 organization managing the IRDI initiative 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 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.

Monitoring and Guidance

A Recipient Organization's activities are subject to general overview and monitoring by NSERC and 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 IRDI program objectives, rules and guidelines. Assistance may also be provided in the coordination of the recipient organization's activities with those of other recipient organizations or of other government-sponsored initiatives including the diffusion of achievements of recipient organizations.

Major Changes

Upon endorsement by the Board of Directors of a recipient organization, any major change that

would affect the general mission of the recipient organization must be submitted to the NCE Steering Committee for approval prior to implementation.

The Access to Information Act and the Privacy Act

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

Appendix A: Benefit to Canada

1. Working Guidelines

A key IRDI program objective is to advance Canadian economic and social development. Accordingly, every effort must be made to have the results of internships 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 internships, or the agent acting on their behalf, will consult with relevant stakeholders on issues of commercialization. When selecting a receptor company for the exclusive licence of the commercial rights of intellectual property resulting from internships, the agent/owners of intellectual property resulting from internships 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 research results that are being exploited, and on the window of opportunity. The agent/owners of intellectual property resulting from internships 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)

2. 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 Board of Directors, and through the Board of Directors, to provide the NCE Steering Committee 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 organization managing the IRDI initiative.

Appendix B: Conflict of Interest Policy Framework

Interactions between university researchers and the private sector are an essential feature of the IRDI program. For the objectives of the IRDI program to be achieved, many kinds of interactions among individuals participating in the IRDI initiative must occur. These interactions may lead to gains and benefits to the individuals participating in the IRDI initiative and are desirable and natural outcomes of being involved in the initiative. Such interactions, however, may place individuals participating in the IRDI initiative 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 organization managing IRDI initiatives and their operations. The responsibility for implementing and managing the Conflict of Interest Policy Framework, to ensure that organization operations and decisions are not biased by conflict of interest, is delegated to the Board of Directors of the organization managing the IRDI initiative, which represents the highest authority in the management structure of the organization. The Boards of Directors is accountable to the NCE Steering Committee for the effective implementation and management of the Conflict of Interest Policy Framework.

Individuals participating in the IRDI initiative such as members of the Board of Directors and advisory committees who do not receive IRDI funds are recognized as playing a unique role in the IRDI initiative. They bring an important perspective as a result of their particular knowledge, often as

representatives of organizations in the field of interest of the IRDI initiative. Nevertheless, they are still required to disclose any financial interest or position of influence, (as described in Section 2 of Appendix B), in any business in the same area of interest as the IRDI initiative, other than that of their main employer.

The Conflict of Interest Policy is intended to enable the 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 IRDI Board of Directors, the Internship participants (supervising researchers, interns and private sector partners) and of the administrators.

1. Definitions

“Administrative Centre” means the central administrative offices of the organization managing the IRDI initiative.

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

“Board” means the Board of Directors of the IRDI initiative 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 network, 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.

"Disclosure" means the act of notifying in writing the Board of Directors, through the Network Manager, of any direct or indirect financial interests and positions of influence held by an individual participating in the network 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 network would constitute a potential, apparent or actual conflict of interest with the participant's network duties and responsibilities.

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

"IRDI Program" means Industrial Research and Development Internship Program.

"IRDI Program Director" means the Director of the IRDI initiative appointed by the IRDI Board of Directors.

"Intern" means graduate student or post-doctoral fellow enrolled in a Canadian institution which is eligible to receive and manage funds under the guidelines of the granting agencies in any area of research provided that his or her skills are sought by the participating firm to support innovation by the firm. The intern will work on research projects jointly developed by his/her industrial partner and academic supervisor.

"NCE Secretariat" means the secretariat through which the federal Networks of Centres of Excellence program, and the IRDI initiative 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 NCE program (with the President of the Canadian Foundation for Innovation serving as observer).

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

2. Disclosure

Upon joining the IRDI initiative, each individual is obliged to disclose in writing to the Board of Directors, through the IRDI Program Director, any direct or indirect financial interests and positions of influence that could lead to a potential, apparent or actual conflict of interest (examples provided in section 5 of Appendix B). 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 any IRDI committee or Board meetings so that the committee or Board is aware of the situation and can take appropriate action.

A) Financial Interest

It consists of:

- Any material stock option (e.g., 1%) 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. Management of Conflict of Interest

The Board of Directors 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 of Appendix B. 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 IRDI initiative 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 decisions pertaining to the IRDI initiative, including committee decisions, if the declared potential conflict of interest could influence the decision or actions of the IRDI initiative. 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 of Directors 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 of Directors level and must be documented in writing. The Board of Directors 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, Board of Directors of the organization managing the IRDI initiative will require the individual to:

- account to the organization managing the IRDI initiative 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 organization managing the IRDI initiative ; **or**
- take appropriate action as determined by the Board of Directors.

4. Review Process

An individual may request in writing, within 30 days, a review of a decision on conflict of interest. In certain circumstances, the Board of Directors

may arrange for an independent third party appointed by mutual agreement of the organization managing the IRDI initiative and the Board of Directors, and failing such mutual agreement, appointed by the NCE Steering Committee, to act as an intermediary to scrutinize scientific reports and budgetary information of internship project(s) in which the individual participating in the IRDI initiative 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 organization managing the IRDI initiative. The ultimate decision on the resolution of the review rests with the Board of Directors.

In cases where there is a concern with respect to decisions or actions of the Board of Directors itself, this concern should be submitted in writing to the NCE Steering Committee. The NCE Steering Committee may request the Chair of the Board of Directors 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.

5. 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 university, institution 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 or consultancy relationship with a company, or serving on the board of a company;
- entering into a research 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 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 IRDI initiative.
- 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 organization managing the IRDI initiative does business;
- influencing the purchase of equipment or materials for the organization managing the IRDI initiative from a company in which the participant, the administrator or the director has a financial or other interest.

Appendix C: 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 Industrial R&D Internship (IRDI) program that comes under the control of the NCE Secretariat and the granting agencies is subject to these laws.

1. The Access to Information Act

A requester seeking access to IRDI records under ATI must write to the ATIP Co-ordinator at the relevant granting agency 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 that apply when disclosure of information could be expected to injure private or public interests. In responding to such requests, for example, the agencies would not disclose personal information about identifiable individuals or proprietary technical information submitted in confidence by researchers or companies. Moreover, if a request required a lengthy search or involved 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 agencies' respective Access to Information and Privacy Co-ordinators or from INFO SOURCE, a published register of federal information holdings available in most large libraries. It is important to remember that the ATI is intended to complement, not replace, established channels of communication. The federal granting agencies have always promoted open informal communication with their research communities and with the public. Contact them informally before using the Act.

2. 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 ATI except that there are no fees associated with requests to see personal information. The Privacy Act sets out limits to the right of access similar to those contained in ATI. 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 IRDI Program

The decision-making processes related to IRDI applications are subject to more publicity than traditional grant or scholarship applications made to individuals. IRDI co-applicants and other participants, including members of the Boards of Directors, managers and other key players, should be aware that their names and affiliations will be accessible to the public.

More detailed personal information about applicants and prospective administrators collected by the IRDI program 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 come to be used and disclosed in the following ways:

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 IRDI program to participate in these peer review activities are instructed to protect and to treat as confidential all information entrusted to them.

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.

Because the agencies typically have "corporate" databases, the IRDI Program staff associated with a given agency are usually aware of other applications submitted by the same applicants or groups to other programs within that agency. For the purposes of adjudication and award administration, selection committees may be provided with multi-year summaries 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. IRDI Program staff may also disclose the contents of applications to program staff in their respective agency for the purposes of determining the most appropriate source of funding, jurisdiction, or to monitor overlap in federal support.

The three agencies use personal information about applicants in their files and databases to identify prospective committee members and reviewers for specific grant scholarship or fellowship applications. This applies to IRDI applicants.

The NCE Secretariat routinely publishes and disseminates certain details about successful applications. These include names and affiliations of co-applicants, the amount of the total award and any conditions attached to it, summaries prepared by the applicant or by the program for public reference.

Files and databases containing personal information may also be used by the Agencies for program planning, evaluation and review and in audits and for generating statistics for these activities.

Participants in the IRDI program are subject to the Tri-Council Policy Statement *Ethical Conduct for Research Involving Humans* located at www.nserc.ca/programs/ethics/english/policy.htm and their personal information may be used and disclosed consistent with that policy.

IRDI data on the gender of applicants is collected on a voluntary basis only. While gender data on specific individuals is not used in the adjudication process, it may be used by the agencies to promote the increased participation of women in council programs and on committees.

The agencies also use the information in their files and databases to generate mailing lists in order to disseminate publications and other information to the research community.

To file a formal request, or for more information on the Acts, 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: Example of Environmental Review Process for organizations managing the IRDI initiative

*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 organization **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 project, comparable to NSERC's Form 101 Appendices A and B. 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, internship applicants (intern and academic supervisor) must attest to that fact in their proposal. (For example, see page 1 of NSERC's Form 101 at www.nserc.ca/forms/formtable_e.htm).
2. For projects in which at least one activity takes place outdoors, the academic supervisor of the intern 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.ca/forms/formtable_e.htm).

Environmental Impact Statements should be sent to and reviewed by the Board of Directors of the organization managing the IRDI initiative (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 organization.

If there are significant environmental concerns, a more thorough examination should be carried out by the internship applicant and academic supervisor preferably equivalent to a screening under Sections 16(1)(a) to (d) of the *Canadian Environmental Assessment Act* (CEAA). 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 organization managing the IRDI initiative. The Board, or its delegate, must review the detailed report and conclude whether or not the environmental effects are significant, even after proposed mitigation measures are put in place.

NOTE: Academic supervisors of interns will sign the Environmental Assessment forms for projects under their responsibility.