



Natural Resources  
Canada

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# INVESTMENTS IN FOREST INDUSTRY TRANSFORMATION

## APPLICANT'S GUIDE

Call for Proposals 3  
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Canada

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## Preface

This Guide outlines the general intent of the Investments in Forest Industry Transformation (IFIT) program and its application process. It explains how the Department of Natural Resources (NRCan) will review information submitted in response to the Call for Proposals in a consistent, fair, and transparent manner.

This Call for Proposals will be broken out into two phases:

- Phase 1: Expression of Interest
- Phase 2: Formal Project Proposal

Phase 1 requires applicants to submit an expression of interest by **TUESDAY, SEPTEMBER 9, 2014 at 17:00 EDT**.

The expression of interest is for the purposes of:

- Assisting the Program in providing feedback to applicants to ensure that projects are properly aligned with the Program eligibility requirements and for a formal submission under Phase 2; and
- Assisting the Program in preparing for its review of proposals to be submitted under Phase 2.

NOTE: The expression of interest will not be used as a pass/fail measure to assess applicants, however, an expression of interest will have to be submitted by the deadline in order to be eligible to submit a proposal as part of Phase 2. Proposals will not be accepted under Phase 2 if an expression of interest was not submitted.

Phase 2 requires applicants to submit a formal proposal (that is consistent with the project presented as part of the expression of interest) by **THURSDAY, OCTOBER 30, 2014 at 17:00 EDT**. Proposals received after this deadline will not be eligible for funding consideration under this Call for Proposals.

Submission of a project proposal does not guarantee you will receive funding under the Program. Also any approvals under this process will be conditional upon the execution of a contribution agreement. Until a written contribution agreement is signed by both parties, no commitment or obligation exists on the part of NRCan to make a financial contribution to any project.

Proposals under the EOI process will be evaluated against the criteria outlined in this document.

For additional information, contact IFIT@nrcan.gc.ca or consult [www.forest-transformation.nrcan.gc.ca](http://www.forest-transformation.nrcan.gc.ca). Program changes or notices will be made available on the website.

## **Submission of Expressions of Interest and Proposals**

Email submissions are preferred and can be submitted to [IFIT@nrcan.gc.ca](mailto:IFIT@nrcan.gc.ca). Submissions may also be submitted via memory key, CD, or hard copy to the address below:

Investments in Forest Industry Transformation  
Natural Resources Canada, Canadian Forest Service  
580 Booth St, 7-C7-5  
Ottawa ON  
K1A 0E9

Regardless of the delivery mechanism, expressions of interest and project proposals must be received by the department by the deadlines set out above. The department will not accept delayed submissions due to technological or logistical issues on behalf of the applicant.

## **Program Description**

### **2.1 Overview**

The Investments in Forest Industry Transformation (IFIT) program was created in 2010 to support Canada's forest sector in becoming more economically competitive and environmentally sustainable. The initial four-year \$100-million initiative supported forest industry transformation by accelerating the deployment of highly innovative, first-in-kind technologies at Canadian forest industry facilities. These projects included bioenergy, biomaterials, biochemicals and next generation building products.

IFIT was renewed in February 2014, with an additional \$90.4 million provided for the program over four years under Canada's Economic Action Plan 2014. This continued commitment will help bring the next wave of innovation to market and will solidify Canada's position as a leader in forest industry transformation.

IFIT provides non-repayable contributions of up to 50% of a project's costs for the demonstration of innovative technologies at the pilot to commercial scale in the Canadian forest industry.

Expected outcomes of the Program include:

- New or increased production of bioenergy, biomaterials, biochemicals, and next generation building products by the forest sector;
- Increased deployment of first-in-Canada applications of innovative technologies (with preference given to Canadian technologies), or new applications of existing technologies not traditionally applied in the forest sector; and,

- The creation of innovative partnerships with sectors and stakeholders that are not traditional forest sector partners, thus leading to new business models for the forest sector.

## 2.2 Program Duration

The recapitalized IFIT program will end on March 31, 2018. Completion of physical works on selected projects may extend past the Program's end date but all costs eligible for IFIT funding must be incurred prior to the Program's end date.

## 2.3 Funding Streams

It is recognized that projects presented to IFIT may be of a variety of sizes, funding amounts, and from a wide range of companies. Therefore, projects submitted to the IFIT program under the Call for Proposals will be streamed into two funding categories based on the amount of funds requested and company size.

### Stream #1 – Small Enterprises:

Will be to contribute to projects requesting up to \$2 million from the IFIT Program that have less than 100 employees and less than \$50 million in sales per year.

### Stream #2 – General:

Will be to contribute to projects of any size up to a maximum of \$20 million per recipient.

Applicants will be required to provide the information listed below. More detail on these requirements are provided later on in this Guide.

Stream #1- Small Enterprises	Stream #2 – General
<ul style="list-style-type: none"> <li>• Proposal Form and Appendices</li> <li>• Articles of Incorporation (or equivalent)</li> <li>• Process Flow Diagram</li> <li>• Project Cost Estimates</li> <li>• Project Schedule</li> <li>• Business Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Proposal Form and Appendices</li> <li>• Articles of Incorporation (or equivalent)</li> <li>• Process Flow Diagram</li> <li>• Project Cost Estimates</li> <li>• Project Schedule</li> <li>• Business Plan</li> <li>• Technical Supporting Documentation (preliminary engineering study, site layout)</li> </ul>

## **2.4 Maximum Amount Payable and Stacking Provisions**

The maximum amount payable by IFIT will be up to 50% of total project costs up to a maximum of \$20 million to a single recipient. The total Canadian government assistance (federal, provincial/territorial and municipal) cannot exceed 100% of the total project costs.

Prior to signing contribution agreements, recipients will be required to disclose all expected sources of funding applicable to the proposed project, including contributions from other federal, provincial/territorial and municipal governments, as well as private sector sources.

## **2.5 Eligible Recipients**

Eligible recipients are companies that produce forest products and have at least one existing forest product manufacturing facility located in Canada (for example; open or closed pulp, paper, panelboard or engineered wood products mills).

## **2.6 Eligible Costs**

For funding under the IFIT program, eligible costs (as listed below) can only be incurred after the date on which the contribution agreement is executed by both parties. Costs are considered “incurred” as they become payable to the goods/service provider.

Note that until a contribution agreement is signed by both parties, no commitment or obligation exists on the part of NRCan to make a financial contribution to any proposed project.

Eligible costs under this Program will be directly related to program objectives and include the following:

- Capital expenses
- Material and supplies
- Salaries and benefits
- Overhead expenses (considered to a maximum of 1.5% of project costs)
- Sub-contractors and consultants (professional, scientific, technical, and management services)
- Travel (including meals and accommodation)
- Training costs directly associated with the project implementation
- Printing services
- Licence fees and permits

Any costs associated with the production or exports of softwood lumber products are not eligible under this Program.

The IFIT program will not provide funding to projects dealing with technologies at the research, development and/or experimentation stages. The proposed project should be at a pilot to commercial scale.

For the purposes of helping applicants clearly determine eligible project amounts, the following eligible cost definitions have been provided. Not all eligible costs have been defined below, so applicants can contact the department with any questions.

**Capital Expenses:** Includes equipment acquired or constructed exclusively for the project. In order to be eligible, such equipment must be identified in the project cost estimate, and approved by NRCan. Equipment shall be charged to the project at the net price after deducting all trade discounts and similar rebates.

**Materials and Supplies:** Products include those consumed in carrying out the project. Products purchased solely for the project and issued from the Applicant's inventory are eligible. All products shall be charged to the project at the net price after deducting all trade discounts and similar rebates. Surplus products shall be credited to the project at the original purchase price.

**Salary Benefits:** Benefits are defined as a reasonable prorated share of expenses associated with the direct labour cost such as the employer's portion of Canada Pension Plan, Quebec Pension Plan and Employment Insurance, employee benefits such as health plan and insurance, Worker's Compensation, sick leave and vacation plus any other employer paid payroll related expenses. Those items which have no relationship to the project or which have been charged on an indirect basis are not eligible. The determination of the fringe benefits amount shall be in accordance with generally accepted accounting principles. In general, the fringe benefits rate provided in the project estimate shall be computed once during the life of the project and agreed on prior to the signing of the Agreement. If retroactive adjustments are made, these must be indicated on claims for progress payments for NRCan approval.

**Sub-Contractors and Consultants:** The nature of goods or services to be acquired shall be set out in the proposal estimates. The amount eligible for a sub-contractor or a consultant shall be the actual contract amount.

**Meals Costs:** Unless stated otherwise in the contribution agreement between NRCan and the Applicant, Treasury Board meal rates ([http://www.tbs-sct.gc.ca/pubs\\_pol/hrpubs/TBM\\_113/menu-travel-voyage-eng.asp](http://www.tbs-sct.gc.ca/pubs_pol/hrpubs/TBM_113/menu-travel-voyage-eng.asp)) that are in effect at the time of signing the contribution agreement shall be used in reimbursing the cost of meals.

**Travel and Accommodation Costs:** For these types of expenses, reasonable costs will be reimbursed.

## **2.7 Basis and Timing of Payments**

The Government of Canada's fiscal year is the period beginning on April 1 of any year and ending on March 31 in the next year. Details will be provided within each contribution agreement regarding the documentation that is required when submitting a claim for



payment. The contribution agreement will also stipulate the start date and end date of eligible costs for each project.

Payments will be made based on receipt and approval of financial reports signed by the recipients' Chief Financial Officer (or duly authorized officer) outlining actual eligible costs incurred for the project. Payments will be made based on measurable, pre-defined project milestones, as well as upon receipt of the documentation as defined in the contribution agreements.

Advance payments may be permitted when requested by the Proponent, and based on an assessment of their financial need, level of risk and cash-flow requirements.

Final payment will not be made until all agreed-upon project activities have been completed by a recipient and are deemed acceptable by NRCan. In order to ensure appropriate project oversight, a reasonable holdback may be applied and released once all conditions of the contribution agreement have been met.

## **IFIT Application and Evaluation Process**

### **3.1 Overview**

For the expression of interest submission, applicants are required to complete the IFIT expression of interest form. Instructions and further information are included in the expression of interest submission form (available at [www.forest-transformation.nrcan.gc.ca](http://www.forest-transformation.nrcan.gc.ca)).

For the formal project proposal, applicants are required to complete the IFIT Project Proposal Form and attach additional supporting documentation as required. Instructions and further information are included in the Proposal Form (available at [www.forest-transformation.nrcan.gc.ca](http://www.forest-transformation.nrcan.gc.ca)).

#### **Phase 1:**

Expressions of interest must be received by the Program by **TUESDAY, SEPTEMBER 9, 2014 at 17:00 EDT**. NRCan will confirm, by e-mail, receipt of each expression of interest package.

#### **Phase 2:**

Formal project proposals must be received by the Program by **THURSDAY, OCTOBER 30, 2014 at 17:00 EDT**. NRCan will confirm, by e-mail, receipt of each application package.



No modifications to submitted expressions of interest or proposals or additional supporting information will be accepted after the closing date and time, unless specifically requested by the IFIT program.

Expressions of interest must be submitted by the deadline in order for the applicant to submit a formal project proposal. Formal project proposals will not be accepted if an expression was not submitted by the deadline.

Once both phases 1 and 2 of the Call for Proposals is closed, NRCan reserves the right to publicly disclose, any or all of the information provided by applicants in questions 1-4 of the Executive Summary of the application form.

### **3.2 Phase 1 – Expression of Interest:**

As described above, the expression of interest process will not result in a pass/fail for an applicant. The expression of interest process is meant to assist applicants and NRCan in ensuring that solid and well justified proposals are submitted. It is also meant to assist applicants in understanding Program requirements to avoid effort on proposals that may not meet essential eligibility requirements. It will also provide the opportunity for applicants to ask questions so that they may better define their project proposals.

Responses to questions that would apply to any and all applicants will be made available publicly to ensure transparency and fairness.

### **3.3 Phase 2 – Formal Project Proposal:**

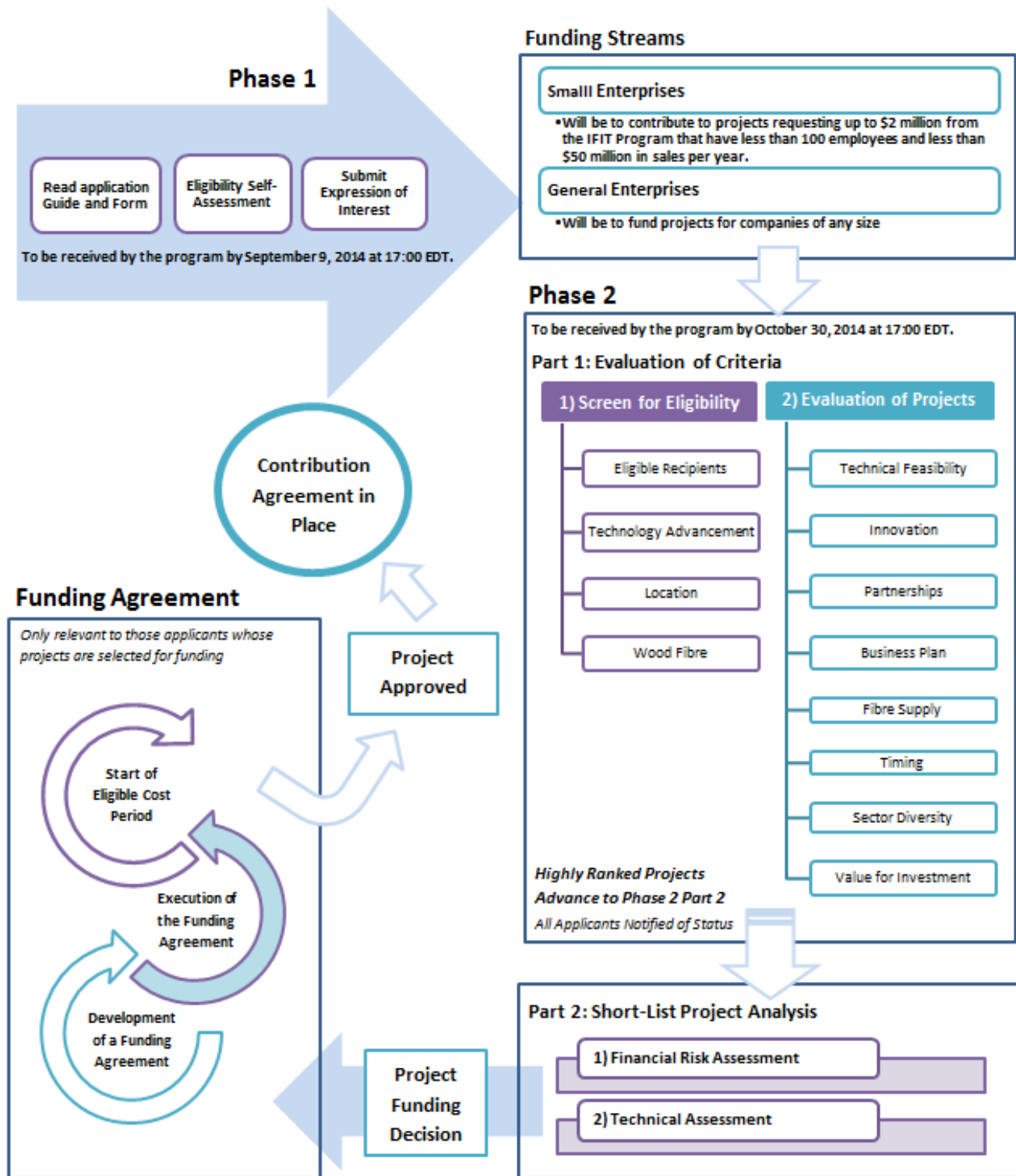
NRCan will use a two-part selection process to identify projects for funding consideration (Figure 1). In Part 1, projects meeting the mandatory criteria will be assessed by a review panel against the program's rated criteria, as outlined in section 3.4.2 below. Following this process, a recommended short-list of highly ranked projects will advance to Part 2. NRCan will notify all applicants of their status in the selection process after Part 1 is completed.

Applicants whose projects advance to Part 2 (project selection and short-list) will be asked to submit additional information in order to remain under consideration for funding. NRCan may also require that an independent, third party financial risk assessment be performed of each applicant on the short-list.

Other due diligence analyses may be required of projects on a case-by-case basis depending on the project parameters.

The results of the financial risk assessment and due-diligence exercise will inform the development of the final list of successful projects. NRCan will contact short-listed applicants once the final funding decisions have been made. Program officials will then work with the selected recipients to develop contribution agreements based on the proposed projects. Recipients should note that while contribution agreements may be drafted, no payments will be made prior to the successful execution of the contribution agreement and any other applicable contractual conditions.

**Figure 1. CALL FOR PROPOSALS APPLICATION PROCESS**



### 3.4 Part 1: Evaluation of Criteria of Formal Proposals

#### 3.4.1 *Mandatory Criteria*

To be eligible for funding under IFIT, projects must meet all mandatory criteria. The responsibility lies with the applicant to demonstrate, in the Proposal Form, that the proposed project clearly meets each mandatory criterion. Failure to clearly demonstrate that the project meets each mandatory criterion may result in the project being eliminated from consideration for funding.

1. **Eligible Recipients:** Eligible recipients are companies that produce forest products (products made from/with wood fibre which may be determined by NAICS code as identified in the Proposal Form) and have at least one existing forest product manufacturing facility located in Canada (i.e. open or closed pulp, paper, panelboard or engineered wood products mills).
2. **Technology Advancement:** The proposed project must constitute an advancement of forest sector technology in Canada. Once implemented, the advancement will employ new technologies that produce (or will lead to the future production of) bio-products or next-generation building products. The proposed project is at a pilot to commercial scale, and the technology does not yet exist, at the proposed scale and specifications, in a forest sector industrial facility in Canada.
3. **Location:** Project site is located in Canada and the project is integrated with existing industrial processes in the forest sector. This includes projects located at existing mill sites (open or closed) and projects physically connected to existing forest sector industrial processes or facilities.
4. **Wood Fibre:** Project is primarily derived from wood fibre. This includes projects involving the industrial processing of wood fibre and projects directly related to or reliant on by-products generated by wood fibre industrial processing activities.

#### 3.4.2 *Rated Criteria*

Projects which clearly meet each of the mandatory criteria will then be evaluated against the program's rated criteria, as outlined below.

1. **Technical Feasibility:** Degree to which the project is expected to be technically feasible and generate the desired outcomes.

This criterion requires applicants to substantiate the claims that the products and processes can be implemented; are likely to perform as expected; and will generate the quantity and quality of product identified by the applicant. Preference will be given to projects that can demonstrate product standards have been met, technological risk

mitigation strategies exist, and the technical team has experience in project implementation.

2. **Innovation:** Preference will be given to projects demonstrating greater innovation and novelty, as demonstrated by the nature and scale of the technological innovation, as well as to projects involving commercial scale technology. Preference will be given to projects demonstrating a higher level of Canadian innovation.

This criterion requires applicants to demonstrate the level of innovation of their project. Projects implementing technology for the first time in the forest sector, or adapted for the first time from other industry sectors will be preferred over technologies that are already operational in the forest industry in other countries and are being imported to Canada for the first time. As the IFIT program aims to support the commercialisation of innovative technology, preference will be given to projects involving commercial scale technology designed for the production of a marketable quantity of a product rather than pilot scale technology (which is considered to be at an industrial scale but designed to produce a small quantity of a product for technical and market analysis). Projects demonstrating a higher level of Canadian innovation, where the intellectual property or intelligence of the technology originates in Canada, will also be given greater consideration.

3. **Partnerships:** Preference will be given to projects involving strategic partnerships with companies, ideally from industrial sectors not traditionally associated with forest sector projects (such as the plastics, chemical, or energy sectors), who are directly involved and have an active/engaged role and stake in the success of the proposed project. Preference will also be given to projects demonstrating a high proportion of total project costs leveraged from industry partners and/or provinces (rather than other federal partners/programs) and those that can demonstrate secure/confirmed partnerships.
4. **Business Plan:** Preference will be given to strong financial analysis as well as, credible and complete business plans. For projects at the commercial scale, priority will be given to projects with stronger financial prospects based on key economic indicators (such as ROCE, ROI, EBITDA, etc.).

All project proposals, regardless of the amount of funding requested, are required to submit the Financial Analysis Template (IFIT Proposal Form Appendix A).

Preference will be given to proposals with a complete and credible business plan including financial indicators, financial forecasting, ability to mitigate risk, knowledge and accessibility of the market, and the project team's experience in completing projects on budget and schedule.

5. **Fibre Supply:** Preference will be given to projects that consume fibre from currently underutilized sources; waste streams produced by the industrial processing

of wood fibre; and/or projects that will not divert fibre from existing higher-value uses.

Applicants should clearly demonstrate how they meet the above criterion and indicate that a secure long-term supply mechanism/strategy exists for their project.

6. **Timing:** Preference will be given to applicants who propose the most credible and defensible project schedule information.
7. **Sector Diversity:** In order to ensure equitable distribution of federal funds across the forest sector, preference will be given to firms ineligible for Pulp and Paper Green Transformation Program funding.
8. **Value for Investment:** Preference will be given to projects where requested IFIT funds are of a lower proportion.

In addition to the above criteria, applicants are also requested to provide information on the project's environmental, societal and economic benefits; advantages for local communities; and strategic contribution to the transformation of the Canadian forest sector.

### **3.5 Part 2: Short-List Project Analysis**

The highly-ranked projects emerging from the Part 1 evaluation above will move to the Program's "short-list". These applicants will be requested to provide additional information to support the final selection decisions. Short-listed project applicants will be asked to provide the key documentation, including but not limited to:

- Financial information that will be used to support a third party financial risk assessment. Note that applicants applying for Stream #1, Small Enterprises will be subjected to a more streamlined financial risk assessment.
- Risk management plan. Note that applicants applying for Stream #1, Small Enterprises will be asked to provide a more streamlined risk management plan.
- Summary of permits/approvals required in relation to the project
- Work plan and key milestones

The IFIT Program will contact applicants advancing to Part 2 to provide specific instructions relating to the financial risk assessment, risk mitigation plan, permits/approvals, and work plan.

**Failure to submit any information supporting the short-list project analysis in a timely fashion may result in elimination from the Application Process.**

### ***3.5.1 Additional Information Requirements for Short-List Project***

#### **Financial Risk Assessment**

The financial risk assessment is intended to support the assessment of the overall financial viability of the project, the applicant and any partners throughout the implementation of the project. The financial risk assessment will be conducted by an independent third party on behalf of NRCan, at the expense of NRCan.

As described above, applicants applying for Stream #1, Small Enterprises will be subjected to a more streamlined financial risk assessment.

#### **Risk Mitigation Plan**

Applicants will be required to submit a Risk Mitigation Plan that outlines key project risk areas, including but not limited to:

- The technical, market, organizational, and environmental risks associated with the project.
- Approaches for overcoming or mitigating risks including prior experience managing similar risks.
- Details on the regulatory framework for the project including a summary of the permits/approvals required in relation to the project, a status and timeline to obtaining these, and the impact any delays in obtaining these may have on the overall project execution.

As described above, applicants applying for Stream #1, Small Enterprises will be asked to provide a more streamlined risk management plan.

#### **Work Plan**

The proposed Work Plan must fully describe how the Applicant will achieve the project objectives. It must provide a clear description of all activities to be conducted over the duration of the project. The Work Plan will contain at least the following information:

- A detailed description of specific tasks describing the general work that will be completed to meet the project's objectives and should be a few sentences to one paragraph. Tasks should be broken down by a collection of activities that provide a detailed breakdown of the work required in order to complete a Task.
- Key milestones demonstrating project performance, progress, and completion, including time range to complete each Task.
- The general approach to be utilized to execute the project (e.g. in-house, contractors, or vendors).



- Project-wide go/no-go decision points should be included at appropriate points in the Work Plan. The Applicant should provide the specific criteria to be used to make the go/no-go decision.

If selected for funding, the Work Plan will form the basis for funding negotiations, during which revisions or updates may be required to establish the Statement of Work included in a funding agreement.

## **4. Recipient Information**

This section contains information which will be relevant only to those applicants whose projects are selected for funding through IFIT by NRCan.

### **4.1 Environmental Assessment Considerations**

The *Canadian Environmental Assessment Act, 2012* (CEAA 2012) and its regulations establish the legislative basis for the federal practice of environmental assessment (EA). EA is a planning tool that is regarded as an integral component of sound decision-making. One of the main purposes of CEAA 2012 is to ensure that designated projects are considered in a careful and precautionary manner to avoid significant adverse environmental effects.

CEAA 2012 applies to projects described in the *Regulations Designating Physical Activities* and those designated by the Minister of the Environment as requiring an EA, CEAA 2012 also applies to projects on Federal lands or outside of Canada that are carried out or financially supported by a Federal Authority.

Applicants are not required to submit any additional information regarding Environmental Assessments at the application stage. In cases where CEAA 2012 might apply to a proposed project, the IFIT program will work with project applicants to assess the requirements specific to their project.

### **4.2 Aboriginal Consultation**

The Supreme Court of Canada ruled that the Crown has a legal duty to consult, and where appropriate to accommodate, when the Crown has real or constructive knowledge of the potential existence of Aboriginal rights or title, and the Crown contemplates conduct that might adversely affect those rights, whether those rights have been established (proven in court or agreed to in treaties) or whether there is potential for rights to exist. In these instances, consultation should occur prior to the federal government taking any action.

For each project proposal that advances to Part 2 of the evaluation, IFIT Program officers will review applications to determine if the proposed project is likely to result in an adverse impact on an established or claimed Aboriginal or treaty right. Where appropriate, a consultation process commensurate with the potential impact will be undertaken.

Proponent consultation with Aboriginal groups is not required under the IFIT Program (for those Applicants advancing to Part 2). However, applicants are encouraged to report if they have already conducted consultation or engagement in relation to the project proposal, or as part of the applicant's ongoing operations/corporate commitments.

#### **4.3 Confidentiality and Security of Information**

The *Access to Information Act*, (the "Act") governs the protection and disclosure of information, confidential or otherwise, supplied to a federal government institution.

Paragraph 20(1) (b) of the Act states that:

a government institution [such as NRCan] shall refuse to disclose any record requested under the Act that contains financial, commercial, scientific or technical information that is confidential information supplied to a government institution by a third party and is treated consistently in a confidential manner by the third party.

Paragraph 20(1) (b) of the Act sets out two mandatory criteria in order to protect Applicant's confidential information supplied to NRCan from disclosure. First, the Applicant's documents supplied to NRCan must contain financial, commercial, scientific or technical information. Second, the Applicant must consistently treat such information in a confidential manner. In other words, NRCan will protect the Applicant's confidential information in its possession as much as the Applicant protects said confidential information in its own establishment.

For more information on this subject, a careful reading of the entire Section 20 of the *Access to Information Act* is greatly encouraged (<http://laws.justice.gc.ca/en/A-1/index.html>).

#### **4.4 Tax Treatment**

The CRA bulletin IT-273R2 Government Assistance – General Comments (<http://www.cra-arc.gc.ca/E/pub/tp/it273r2/273r2-e.pdf>) may be of interest to taxpayers participating in the program. It deals with the income tax treatment of government assistance received by a taxpayer in the course of earning income from business or property and discusses when this assistance is taxable and when it is not. It explains the rules which allow a taxpayer to reduce the cost of a property when such assistance is received in respect of the acquisition of capital property.

All questions concerning the tax treatment of funds received under IFIT should be directed to the Canada Revenue Agency ([www.cra-arc.gc.ca](http://www.cra-arc.gc.ca)).

## **4.5 Audit Rights**

The Applicant must:

- keep proper accounts and records regarding the project(s), for at least 5 years after the project completion date;
- permit Government of Canada representatives to audit, inspect and make copies of those accounts and records at all reasonable times, up to 5 years after the project completion date;
- grant the Government of Canada's authorized representatives access to audit and inspect the qualifying project and related facilities;
- furnish the Government of Canada's authorized representatives with such information as they may from time to time reasonably require with reference to the documents referred to herein; and
- promptly refund to NRCan any overpayments of the contribution disclosed by an audit.

## **4.6 Reporting Requirements**

Specific reporting requirements will be defined in the contribution agreement, but will likely include the information as laid out below. Regular communication between NRCan and the recipients will be implemented to monitor progress.

Quarterly reporting requirements for recipients include:

- i) a financial report signed by the Chief Financial Officer or Duly Authorized Officer of the organization which outlines Eligible Costs Incurred by task;
- ii) an updated project quarterly cash flow statement and budget; and,
- iii) a description of activities undertaken during the quarter (including results obtained and description of performance measures where applicable), and identification of any concerns that NRCan should be made aware of, and if so, details and mitigation plans regarding these issues.

Annual reporting requirements for recipients will include:

- i) a report depicting how the activities and outputs of the project have been contributing to the overall objectives of the Program and Project; and,
- ii) an assessment of key performance indicators for the project as identified in the Contribution Agreement document.

At the end of the project, recipients will provide:

- i) a financial report that demonstrates how the contribution was spent, with a declaration as to the total amount of contributions or payments received from other sources in respect of the Project;

- ii) a final narrative report to describe how project activities have contributed to the achievement of the objectives of the Project and Program and a final assessment of performance indicators for the project as identified in the Contribution Agreement document to report on short term, intermediate term, and long term outcomes of the Project; and,
- iii) a report outlining any unfinished components of the project, along with a declaration that the firm intends to complete the project within a specified time period.