

## Management Response to the Evaluation of College and Community Innovation Program

The CCI program aims to increase the economic development of Canadian communities and create new skilled jobs by increasing the capacity of colleges to undertake research and development (R&D) activities and projects in partnership with the private sector, particularly small and medium enterprises (SMEs), and contribute to local and regional innovation by fostering the commercialization, technology transfer, adaptation and/or adoption of new products, services, and technologies. To do this it currently provides funding for Canadian colleges through seven different grants: Innovation Enhancement, Technology Access Centre, Engage, Applied Research and Development, Applied Research Tools and Instrument, Industrial Research Chairs for Colleges, and College-University Idea to Innovation.

### Overall Comments

Management agrees with the findings of the evaluation which confirm that the CCI Program is an important part of the Federal Government's support for applied research at colleges, polytechnics and institutes across Canada. Now ten years since its creation, the CCI program has grown substantially and continues to evolve to better support the growth and delivery of innovation support through college applied research. The recent and substantial increase provides further opportunity for colleges. In the coming year NSERC will work to address the recommendations (as outlined below), and further improve the effectiveness of this funding.

### Recommendations

#### Recommendation 1:

**Continue funding the CCI program. Innovation is an important determinant of a country's ability to compete within a global market and is thus a crucial contributor to a country's economic growth and the quality of life of its residents.** The CCI program support bridges the research capacity of colleges and SMEs, and contributes to limiting the risk associated with investing in research and innovation for SMEs. Canadian Colleges are well-suited to support innovation in SMEs through the provision of applied research services. Colleges are increasingly engaging in applied R&D activities and, coupled with their knowledge of industry and community needs, are well placed to partner with Canadian organizations to help them become more innovative and thus competitive. Such partnerships and R&D activities also provide opportunities for college students to acquire additional knowledge, skills, competencies, and attitudes, which in turn will make them more productive members of the Canadian workforce.

#### Management Response: Agreed.

The CCI program continues to be the central component of government support for college applied research. The increment provided by Budget 2018 provides additional resources to capitalize on growing innovation support capabilities at colleges across Canada.

#### Recommendation 2:

**It is recommended that the management and staff of the CCI program explore further with eligible institutions concerning the challenges associated with faculty release, and discuss possible alternative mechanisms.** Release time for faculty members to engage in applied R&D is an ongoing issue for many colleges across Canada. Despite the availability of funds for teaching release, this mechanism does not appear to be entirely aligned with the operational requirements of colleges and does not fully address the underlying issues associated with faculty release noted throughout the evaluation. The issues regarding release time are especially prevalent among small colleges and/or colleges located in rural

and/or remote areas, as they have a harder time finding qualified replacement faculty or the funds to offset the costs associated with faculty release time. CCSIF project leads, college research coordinators, and some key informants noted faculty release time as a particular challenge for the CCSIF-funded projects, as faculty release time was not a specific, eligible expense of the grant while administered by SSHRC.

**Management Response: Agreed.**

A key opportunity to increase college support for innovation in Canada is to increase the involvement of faculty in applied research projects. While the current approach (faculty-release support) has proven useful, other approaches, such as those mentioned in the evaluation are of interest. In the coming year, NSERC will work with stakeholders in colleges and elsewhere to discuss and explore alternative mechanisms that lead to more college faculty participating in applied research projects.

**Recommendation 3:**

**The CCI program should review and consider updating the mechanism it employs to support the indirect costs of research, including the proportion of grant funds that can be used towards indirect costs (i.e., 20%). One of the main concerns highlighted throughout the evaluation is the proportion of grant funds that can be used towards indirect costs.** It was noted that 20% is generally insufficient and, in some cases, the proportion of indirect costs for applied R&D at a college is closer to 30% (reported levels of indirect costs range from 27% to 35%) of the total costs of R&D. Additionally, on a related note, there are certain ineligible expenses related to direct and indirect costs that some stakeholders would like to see become eligible expenses, or that additional funds become available to help offset these expenses, as they are deemed crucial to helping colleges build their capacity and reputation for applied R&D. These expenses include the purchase of equipment, recruitment of faculty, and attendance at scholarly conferences. Finally, some stakeholders would like to see the allocation of a proportion of grant funds for indirect costs abandoned by the CCI program and the CCSIF, and for Canadian colleges to become eligible for the RSF.

**Management Response: Partially agreed.**

Management recognizes that the current approach to supporting indirect costs of research presents challenges for many colleges. Enlarging the support for indirect costs, developing an alternative mechanism for funding indirect costs, including making CCI funding eligible for inclusion in the Research Support Fund are both significant steps and will need to be discussed with funding stakeholders. NSERC has generally aligned the eligible expenses for the indirect costs in CCI to the RSF, and will explore the merit of including the suggested items within the CCI indirect cost eligibility.

**Recommendation 4:**

**It is recommended that the CCI program examine and revise its reporting requirements, particularly for the TAC and IRCC grants, to ensure that the information collected is useful, accessible, and comparable at different points in time and/or across grants, and also to reduce the reporting burden.** At times, the quality of the data collected through the reports administered by the CCI program is questionable, which in turn limits the extent to which the data can be analyzed and/or compared over time. This may be attributed to the fact that some of the questions included in the reports, particularly for the TAC and IRCC grants, are broad and unclear, and/or that institutions were given slightly different versions of a particular report, which resulted in incomparable data. By reviewing its reports to ensure that the questions are clear, and that the information it asks for is relevant (and thus used by the program and/or council), the CCI program may be able to streamline its reports and facilitate the reporting process. Additionally, there are concerns that the reporting burden for the TAC and IRCC

grants is high, as the institutions that receive one or both of these grants have to provide multiple reports to NSERC on an annual basis, such as the performance and financial reports, as well as reports to their institution and/or other funders. In an effort to reduce the reporting burden, the CCI program could examine the possibility of aligning the submission dates of some of its reports, thereby asking the institution to submit all reports at once instead of different reports at different times during the year.

**Management Response: Agreed.**

Management recognizes that, with 7 different grant types, most of which have been introduced as the program has grown over the past decade, the coherence and alignment of the reporting can be improved. NSERC is currently renewing a significant portion of its partnership programs for universities. We intend to be inspired by the most promising and relevant aspects of those revision to enhance the CCI program, streamlining the programs and further improving their performance. As part of this exercise, we plan to revise and consolidate the reporting.

**Recommendation 5:**

**It is recommended that the CCI program consider a targeted follow-up study to further examine the progress and results of the CCSIF projects funded in 2015 in order to assess the extent to which the program achieved its expected outcomes.** During the time of the evaluation, the majority of the CCSIF-funded projects funded in 2015 (i.e., competitions one and two) were ongoing. Consequently, a limited number of findings were available regarding the results of these projects, and thus the outcomes of the CCSIF. Without this information, it was not possible to draft any specific recommendations about the program. In order to gain further insights into the outcomes of the CCSIF, it is recommended that the CCI program consider the possibility of a follow-up study focussed on assessing the extent to which the CCSIF achieved its expected outcomes. In particular, the study could target the project leads and partners who participated in the evaluation to get an update on the results of their projects, including how their project addressed the needs of the community through social innovation. Such a study would likely provide additional information regarding the impacts of the CCSIF on grant recipients, partner organizations and/or the communities they served, as well as confirm program parameters and/or enable program improvements. This study should occur after the original 62 projects funded by the CCSIF are complete. This study would also provide an opportunity for management to think about how to integrate or rethink support for social innovation within the context of CCI.

**Management Response: Agreed.**

Management recognizes that the current evaluation could not benefit from the outcomes of completed CCSIF grants. It will be valuable to gain further insight on the impacts of the CCSIF grants, with a view to better supporting social innovation through college applied research in the future. This should be at a suitable time, subsequent to the conclusion of a significant number of CCSIF grants.

**Action Plan**

Recommendation	Agree, Partially Agree, Disagree	Proposed Action	Responsibility	Target date for completing proposed action
Recommendation #1: Continue funding the CCI program. Innovation is an important determinant of a country’s ability to compete within a global market and is thus a crucial contributor to a country’s economic growth and the quality of life of its residents.	Agreed.	Continue to implement the Budget 2018 funding increase. Streamline the funding, drawing inspiration (in part) from the ongoing Research Partnership Renewal.	Director, Colleges, Commercialization and Portfolio Planning Division, RP Directorate	On going
Recommendation #2. It is recommended that the management and staff of the CCI program explore further with eligible institutions concerning the challenges associated with faculty release, and discuss possible alternative mechanisms.	Agreed.	Discuss with college and other stakeholders approaches to better enable college faculty to participate in applied research.	Director, Colleges, Commercialization and Portfolio Planning Division, RP Directorate	October 2019
Recommendation #3: The CCI program should review and consider updating the mechanism it employs to support the indirect costs of research, including the proportion of grant funds that can be used towards indirect costs (i.e., 20%).	Partially Agreed.	Discuss with stakeholders, and support efforts by college associations to work with governments.	Director, Colleges, Commercialization and Portfolio Planning Division, RP Directorate	Ongoing
Recommendation #4: It is recommended that the CCI program examine and revise its reporting requirements, particularly for the TAC and IRCC grants, to ensure that the information collected is useful, accessible, and comparable at different points in time and/or across grants, and also to reduce the reporting burden.	Agreed.	The reporting for the CCI grant types will be revised as part of a planned modernization of the CCI grants.	Director, Colleges, Commercialization and Portfolio Planning Division, RP Directorate	April 2020
Recommendation #5: It is recommended that the CCI program consider a targeted follow-up study to further examine the progress and results of the CCSIF projects funded in 2015 in order to assess the extent to which the program achieved its expected outcomes.	Agreed.	Pursue the recommended study, or other information gathering efforts studying the impacts of the first CCSIF grants. This can be part of, or in anticipation of the next evaluation.	Director, Colleges, Commercialization and Portfolio Planning Division, RP Directorate	To support the next evaluation (September 2023)