



Natural Resources  
Canada

Ressources naturelles  
Canada

INVESTMENTS IN FOREST INDUSTRY TRANSFORMATION

# APPLICANT HANDBOOK

Stream 2 – Studies





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# 1. INTRODUCTION

This handbook was developed to assist applicants in their submissions to the Investments in Forest Industry Transformation (IFIT) Program. It provides guidance on the type of information to be included in the application and instructions for preparing and submitting an application for funding. It also explains how the IFIT Program will review proposals in a consistent, fair, and transparent manner and how the program will communicate with applicants at different stages of the process.

Applicants are advised to read this handbook prior to completing application forms to gain a better understanding of the IFIT Program and its assessment and selection process. Applicants with additional questions are encouraged to visit the Frequently Asked Questions section on the IFIT Program website and are invited to contact the program at [nrcan.ifit-itif.nrcan@canada.ca](mailto:nrcan.ifit-itif.nrcan@canada.ca).

## 1.1. WHAT'S NEW

The IFIT Program launched its fourth call for proposal in 2017. Since that time, the Program has introduced three new elements: Diversity and Inclusion measures, a second stream of funding as described in this guide, and a new web-based intake process.

### Diversity and Inclusion

Natural Resources Canada recognizes the contributions of a diverse and inclusive workforce to the resilience and competitiveness of Canada's forest sector. Applicants will now be asked whether they have Diversity and Inclusion Plans that describe their approach to achieving gender balance and diversity in their operations. If selected for funding consideration, applicants will be asked to submit their plan and commit to reporting regularly on progress, including available statistics on diversity in their workforce.

### Stream 2: Studies

The IFIT Program now provides funding to conduct studies that are linked to the advancement of innovation in the forest sector in support of a future capital investment or strategic shift by forest sector firms.

Applications for Stream 2 are accepted on a continuous intake basis until all funds have been allocated. Funding is not guaranteed, and is allocated through a review process. Studies will be selected on the basis of first-to-apply and demonstrate eligibility and meet or exceed a minimum threshold for rated criteria.



## **INTEGRO**

Under the new call for proposals, the IFIT Program will be accepting proposals via Natural Resources Canada's new funding portal, INTEGRO. Please note that the new funding portal is a secure environment, residing on Government of Canada servers. The data collected here will be treated confidentially and the program will not transmit personal details and information, unless specified otherwise by the applicant.



## 2. PROGRAM OVERVIEW

### 2.1. BACKGROUND AND OBJECTIVES

Since 2010, the IFIT Program, delivered by Natural Resources Canada, has supported its recipients in de-risking the implementation of innovation in the Canadian forest sector. The Program facilitates the adoption of transformative technologies, products, and processes by bridging the gap between development and commercialization. Overall, the Program aims to create a more competitive and resilient forest sector with a focus on low-carbon projects that result in new or diversified revenue streams.

The IFIT Program has supported the forest sector and the communities that depend on it by promoting advancement and transformation of the industry. It has helped diversify markets, increase competitiveness, and bolster economic sustainability. It has also improved the environmental performance of the sector through support of projects that produce renewable energy, reduce greenhouse gas emissions, and increase energy efficiency.

IFIT has been renewed with \$82.9 million of funding to be distributed over three years, starting on April 1, 2020. This continued commitment will help bring the next wave of innovative advancements to Canadian forest industry facilities and will solidify Canada's position as a leader in forest industry transformation.

Expected outcomes of the Program include:

- New or increased production of bioenergy, biomaterials, biochemicals, and next generation building products.
- Deployment of first-in-Canada applications of innovative technologies and processes.
- New applications of existing technologies not traditionally used in the forest sector.
- The creation of innovative partnerships with sectors and stakeholders that are not traditional forest sector partners, leading to new business models for the forest industry.
- Improved competitiveness of Canada's forest sector - jobs created, jobs secured, new revenue streams, and diversification of product portfolios.
- Greater workforce diversity in the Canadian forest sector.
- Increased environmental sustainability of Canada's forest sector - production of green electricity and renewable fuels, reduction of greenhouse gas emissions, increased energy efficiency, and improved waste management.



## 2.2. PROGRAM DURATION

IFIT Program funding will be available to recipients between April 1, 2020 and March 31, 2023. Expenditures eligible for an IFIT contribution must be incurred on or before the program end date of March 31, 2023, however completion of physical work paid for by the applicant or the applicant's partner(s) may extend past the program's end date up to a maximum of two (2) years.

## 2.3. FUNDING STREAMS

The IFIT Program provides funding to address two industry needs:

- Need for **capital funding** to support transformational projects by forest sector firms to diversify into new product streams and implement innovative process improvements to ensure industry competitiveness.
- Need for funding to complete **studies** that are linked to the advancement of innovation in the forest sector in support of a future capital investment or strategic shift by forest sector firms.

As such, the IFIT Program has two funding streams:

- Stream 1: Capital Investment Projects
- Stream 2: Studies

For full information regarding Stream 1, please see the *Applicant Handbook Stream 1 – Capital Investment Projects* on the IFIT website.

## 2.4. PROGRAM ELIGIBILITY

### 2.4.1. Eligible Recipients

Eligible recipients under the IFIT Program must be for-profit corporations located in Canada. They must either produce forest products in an existing forest product facility (for example, pulp, paper, or solid/engineered wood products facility) OR are/will be new entrants in the forest sector for the purpose of the project. This includes clusters, joint ventures, and consortiums, provided that a for-profit company acts as the lead applicant.

For joint ventures and consortiums, one for-profit organization must be designated as the recipient of IFIT Program funding. This organization will become the legal signatory for the funding agreement and will be responsible for managing the project, reporting on results, and delivering diversity and inclusivity measures.



## 2.4.2 Eligible Projects

Eligible studies include activities that must meet at least **one** of the following criteria:

- support the initial investment for technologies, processes, product trials, or market assessments with strong potential for advancement towards full commercialization.
- support a recipient towards their eventual demonstration or commercialization of an innovative technology or development of a new product.
- advance innovation to full commercialisation, for example research and trials related to market acceptance of new bioproducts.

Examples of eligible studies include but are not limited to engineering studies, market evaluations, prototype fabrication, and products trials.

## 2.5 FUNDING RULES

### 2.5.1 Amount Payable

- The minimum IFIT contribution amount for a study is \$100,000 and the maximum IFIT contribution amount is \$500,000.
- The Program can contribute up to a maximum of 50% of the total cost.
- The maximum number of studies that can be funded per applicant is three (3) over the current funding window (April 1, 2020 to March 31, 2023).

For studies selected for funding, it is possible that the applicant may not receive the full amount requested. The amount of funding contributed to each study will be based on the number of successful projects, the results of the proposal evaluations, and the funding envelope available in any given year. The determination of the amount of the contribution will also consider the documentation, financial plan (including sources and amount of funding from other funders), and other documents provided through the application process.

### 2.5.2 Stacking Provisions

Prior to signing a contribution agreement (a legal document that will lay out the conditions surrounding the transfer of funds from the Government of Canada to the recipient), recipients will be required to disclose all expected sources of funding applicable to the proposed project. This includes contributions from other federal, provincial/territorial and municipal governments, as well as private sector sources.





As a means of verification, the recipient will be required to disclose all sources of funding again upon completion of a project. Funding in excess of the Stacking of Assistance limit will be subject to recovery.

Total government assistance (federal, provincial/territorial and municipal) will not exceed 100% of total project cost. Funding in excess of the stacking limit will be subject to recovery.

### 2.5.3 Eligible Costs

For funding under the IFIT Program, eligible expenditures (as listed below) can only be incurred on or after the date on which the contribution agreement is signed by both parties. Costs are considered “incurred” when they are owing and due to the goods/service provider. For clarity, the IFIT Program will not reimburse any project costs incurred by the recipient before an agreement is signed.

**Any costs associated with the production or exports of softwood lumber products are ineligible under this Program.**

While it is anticipated that expenditures for studies will largely be for salaries, professional services, or materials and supplies, the following list outlines all Eligible Costs allowed under the IFIT Program. In all cases, costs must be related to program objectives and directly linked to the study.

- Capital expenses
- Retrofitting and upgrading of existing capital
- Material and supplies
- Salaries and benefits
- Overhead expenses (to a maximum of 1.5% of project costs)
- Professional, scientific, technical, management and contracting services (including project design, research and engineering and construction, and fibre supply assessments)
- Travel including meals and accommodation
- Training costs directly associated with the project implementation or operation
- Printing services
- Data collection services, including processing, analysis and management
- License fees and permits
- Costs associated with environmental assessments
- Technical audits associated with project activities



For the purposes of helping applicants determine eligible project costs, the following definitions have been provided. Not all eligible costs have been defined below. Applicants can contact the Program for further clarification if necessary.

<b>Capital Expenses</b>	Includes equipment acquired or constructed exclusively for the project. To be eligible, equipment must be identified in the project cost estimate and approved by the IFIT Program. Equipment shall be charged to the project at the net price after deducting all trade discounts and similar rebates.
<b>Materials and Supplies</b>	Products include those consumed in carrying out the project including product trials. Products purchased solely for the project or 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.
<b>Salary and Benefits</b>	Benefits are defined as a reasonable prorated share of expenses associated with the direct labour cost such as the employer's portion of the Canada Pension Plan, the 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 a contribution agreement. If retroactive adjustments are made, these must be indicated on claims for progress payments for IFIT Program approval.
<b>Sub-Contractors and Consultants</b>	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 Natural Resources Canada and the applicant, Treasury Board meal rates (<https://www.njc-cnm.gc.ca/directive/d10/v238/s659/en>) that are in effect at the time of signing the contribution agreement shall be used in reimbursing the cost of meals for activities directly related to the realisation of the project.

**Travel and  
Accommodation  
Costs**

Reasonable travel and accommodation costs will be reimbursed for activities directly related to the realisation of the project.

## 2.6 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. Multi-year agreements will establish a funding amount per fiscal year adding up to the total contribution under the agreement.

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 over the period in question. Payments will typically be made on a quarterly basis.

Advance payments, or a combination of advance payments and progress payments, may be permitted at the request of the proponent with an assessment of their need, risk levels, and cash-flow requirements.

Final payment will not be made until all agreed-upon project activities outlined in the Statement of Work included in the contribution agreement have been completed by a recipient and are deemed acceptable by the IFIT Program. To ensure appropriate project oversight, a reasonable holdback may be applied and released once all conditions of the contribution agreement have been met.



### 3. APPLICATION PROCESS

The IFIT Program will accept applications for Stream 2: Studies on a continuous intake basis until all funds have been allocated. Funding is not guaranteed, and is allocated through a review process.

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*To submit an application for study funding, please follow the instructions found on the IFIT website*

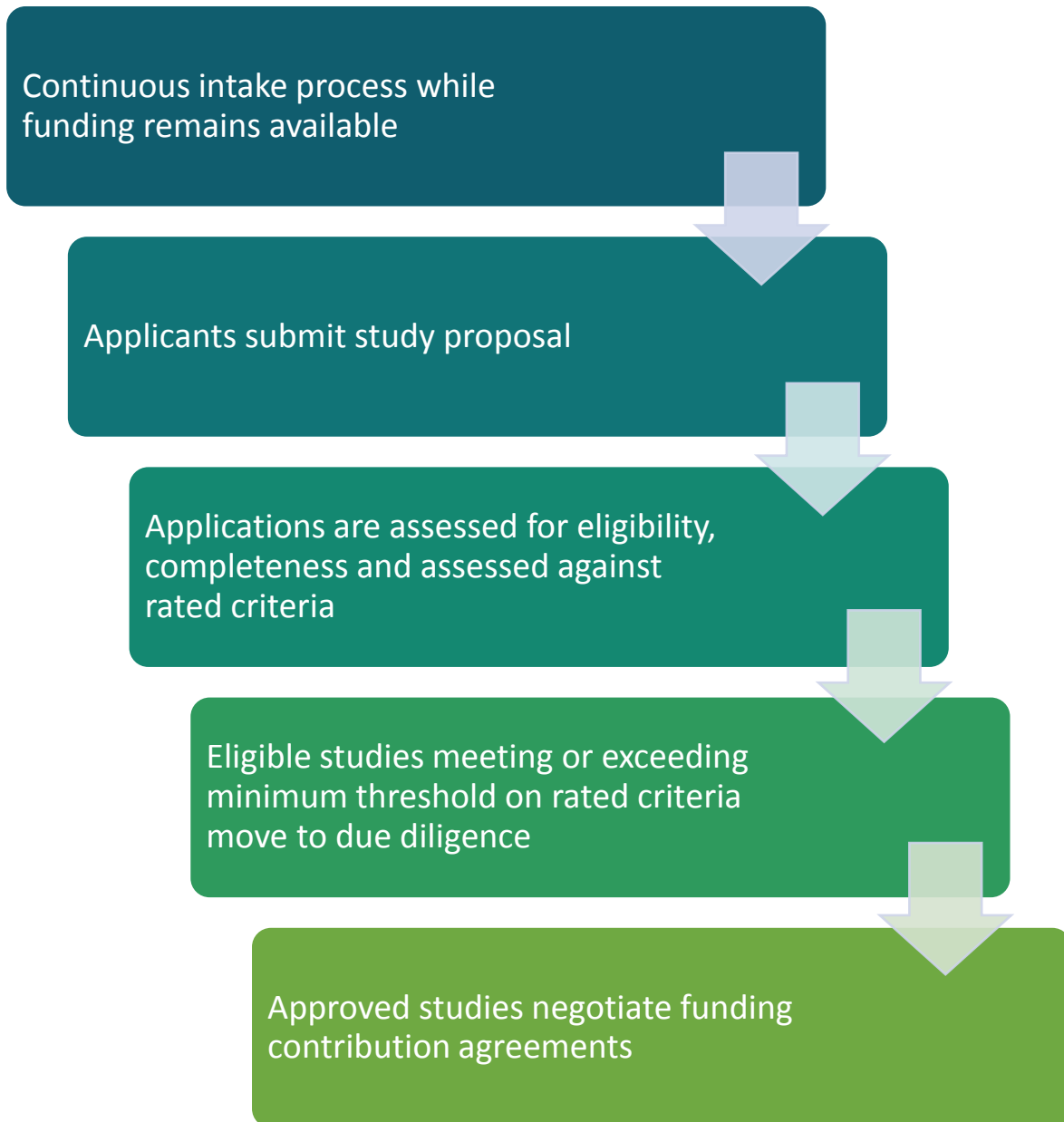
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In the application form available through INTEGRO for studies, applicants will be asked to provide specific information on how the proposed study meets the IFIT Program's evaluation criteria. The application will be reviewed and assessed by expert reviewers, which may include third party experts, against a set of established criteria. The IFIT Program will use the recommendations of the reviewers to determine alignment with program objectives prior to allocating funding towards a study. Studies will be selected on the basis of first-to-apply and demonstrate eligibility and meet minimum threshold for rated criteria.

Submission of an application for a study does not guarantee applicants will receive funding under the IFIT 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 the IFIT Program to make a financial contribution to any project.



### 3.1 SUMMARY OF APPLICATION PROCESS





## 4. APPLICATION EVALUATION

### 4.1 MANDATORY CRITERIA

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

1. **Recipient Eligibility**: Eligible recipients are for-profit-organizations (including clusters, joint ventures, and consortiums) located in Canada. They must either produce forest products in an existing forest product manufacturing facility (for example, pulp, paper, or solid/engineered wood products facility), or are, or will be, new entrants in the Canadian forest sector for the purpose of the proposed project.
2. **Alignment with a Diversification Opportunity**: Studies must support the development of a new product (for existing or emerging markets), process, or technology, with the objective of increased sector competitiveness through diversification of products or revenues. A study must be linked to a potential undertaking at commercial or near-commercial level that could be integrated within and strengthen the forest supply chain. In other words, the objective of the study must be to help a for-profit organization stay competitive within Canada's forest sector.
3. **Incremental Activities**: The proposed study must be an incremental initiative undertaken by an applicant. The IFIT Program is not intended to fund activities that would be considered "business as usual" or that would not require program funding. Applicants must provide a supporting rationale including the drivers for the proposed study and why funding is required outside of regular operations.
4. **Timing**: Studies are intended to be temporary and time bound initiatives to achieve a specific objective(s) in support of a future investment or strategic decision by the applicant. Preference will be given to applicants who propose the most credible and defensible project schedule information and that can be substantially completed within the three year IFIT Program funding window.



## 4.2 RATED CRITERIA

Studies which clearly meet each of the mandatory criteria will then be evaluated against the program's rated criteria, as outlined below. Proposals must meet or exceed the minimum threshold to be considered for funding.

### 1. Study Relevance and Significance of Diversification Opportunity

- *Alignment with Program Objectives and Expected Outcomes*

The proposed study should align with IFIT Program objectives and expected outcomes, as described in Section 2.1 – *Background and Objectives*, by supporting transformation that will make the forest industry more commercially and environmentally sustainable.

- *Alignment with Industry/Sector Need*

The application should demonstrate evidence of the challenge or market opportunity that the proposed study is targeting. It should also describe how the study is targeting an area of work that is supported by a broader strategic or government policy objective (e.g. regulatory changes, fibre allocation, changing consumer preference, or other).

- *Significance of the Diversification Opportunity*

The proposed study should support a potential investment that could lead to more diversified, higher-value product mix including bioenergy, biomaterials, biochemical, and next generation building products within the Canadian forest sector.

- *Strategic Importance to the Applicant(s)*

The application should demonstrate the applicant's understanding of the challenge or opportunity targeted by the study and describe the commercial-scale prospects that could stem from the study. The application should describe how the study fits within the applicant's broader strategic direction and how the study could impact the applicant's competitiveness.

### 2. Ease of Implementation

The applicant should demonstrate how the study will be completed within the expected timelines and identify a source of funds to complete the proposed work plan. A description of the experience and expertise of the project team and consultants that will complete the study should also be provided.



### **3. Level of Innovation**

Studies must propose to bridge gaps in the innovation spectrum and represent a potential advancement of innovation in the forest sector. Examples may include, but are not limited to:

- Development of new applications for bioproducts.
- Technology or process feasibility studies undertaken to support a future investment in a demonstration or commercial implementation.
- Assessment of potential markets for bioproducts that complement capital investment projects.

### **4. Benefits**

Applications for studies must demonstrate the benefits expected by the potential recipient of funding directly from the study itself, as well as any broad reaching other co-benefits that could be achieved by a future investment as a result of the study. Applicants are encouraged to identify spillover benefits including environmental, social, and economic benefits. Benefits to the overall Canadian forest sector should also be included, particularly where lessons learned can be shared and where results replicated to improve sector competitiveness. Applicants shall develop a knowledge dissemination plan to ensure results of the study will benefit the sector as a whole.

### **5. Diversity and Inclusion**

For study proposals submitted prior to April 1, 2021, the Diversity and Inclusion Plan will not be part of the rated criteria. It will, however, be a required document should a study be approved for funding and the program will not release funding until a plan is submitted by a recipient. Applicants should note that, as of April 1, 2021, the requirements will change. The plan will become a requirement at the time the proposal is submitted and will be evaluated as part of the rated criteria.

The IFIT Program will notify an applicant of their status in the selection process after the evaluation stage. Studies selected for funding will move through a due diligence assessment to ensure program requirements are met prior to negotiating a contribution agreement for funding.





## 5. DUE DILIGENCE ASSESSMENT

Project applications will undergo a due diligence assessment to evaluate the capacity and experience of the applicant to implement the proposed project. Shortlisted applicants will be asked to provide additional information regarding their managerial and technical capability, financial situation, project risks and mitigation strategies, and an updated work plan.

If all criteria for funding are met, a contribution agreement will be negotiated between the applicant and Natural Resources Canada. This due diligence step is mandatory to be considered for funding.

Studies that are successful in the evaluation process will move to a due diligence process where applicants may be asked to provide key documentation, including but not limited to:

- **Updated project costing and budget**

Applicants will be asked to provide an updated budget, confirmation of corporate approval to proceed with the study, and confirmation of funding sources to conduct the proposed work.

- **Detailed work plan and expected results**

The proposed work plan must fully describe how the applicant will achieve the objectives set out for the study. It must provide a clear description of all activities to be conducted. 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. The work plan will contain at least the following information:

- A paragraph describing specific tasks to be completed to meet the study's objectives. Tasks should be broken down into a collection of activities that describe the work required to complete the task.
- Key milestones demonstrating project progress towards completion, including the time range to achieve each milestone.
- The general approach to be utilized to execute the project (e.g. in-house personnel, contractors, or vendors).

**Failure to submit any information supporting the shortlist project analysis in a timely fashion may result in elimination from the application process.**



## 6. DIVERSITY AND INCLUSION MEASURES

As a first step to gaining a better understanding of diversity and inclusivity within the forest industry, applicants will be asked if they have a Diversity and Inclusion Plan at the study proposal stage.

If an applicant is selected for funding consideration, they will be asked to submit a Diversity and Inclusion Plan and accompanying Diversity and Inclusion Questionnaire to describe their approach to improving gender balance and increasing diversity within their Canadian corporate structures. This will be a condition to becoming an IFIT funding recipient. While the project is ongoing and for one year after project completion, the recipient will be required to submit an updated Diversity and Inclusion Questionnaire on an annual basis. Recipients will also be asked to report on the implementation of their Diversity and Inclusion Plan as well as any updates to the plan itself.

The Diversity and Inclusion Plan should describe the recipient's approach to improving gender balance and increasing diversity within their Canadian corporate structures and broader hiring and supply chains in Canada. Examples could include efforts to increase the proportion of designated groups as defined in the Employment Equity Act (e.g., women, Indigenous peoples, persons with disabilities and members of visible minorities) in the construction and operation phases of the project or selecting suppliers that have gender and diversity plans. The plan may include, but is not limited to, an IFIT recipient's:

- public approach to promoting diversity, inclusion, and equality;
- corporate anti-discrimination policies;
- available statistics on proportion of designated groups employed at all levels of their firm in Canada;
- hiring processes and supplier selection methods in Canada;
- corporate activities that seek to increase or support diversity in Canada's forest industry, including training for hiring managers and staff.

A copy of the Diversity and Inclusion Questionnaire and a template of a Diversity and Inclusion Plan will be provided on the IFIT website. This will allow applicants to better understand requirements if their project is selected for funding.

At the present time, the submission of a Diversity and Inclusion Plan will be a requirement in the contribution agreement with IFIT recipients. However, as of April 1, 2021, the IFIT Program reserves the right to rate the plans as part of the application evaluation process. This element may be included in the rated evaluation criteria once a baseline understanding is established for the measures that can be implemented by the forest industry to achieve gender balance and increase diversity.



All information collected regarding Diversity and Inclusion will be treated confidentially. Employees of Natural Resources Canada will have access to data collected by the Diversity and Inclusion Plan and Questionnaire, however, this information will not be available outside of the department. Details of the Diversity and Inclusion Plan will not be disseminated unless otherwise specified by the applicant. Questionnaire results will be kept confidential and Natural Resources Canada will never identify an organization's name in reporting of any kind. When questionnaire results are reported, they will always be aggregated—that is, individual questionnaire results are combined together and presented as a group.

To ensure that personal information is not discernible, the Questionnaire will not be mandatory for companies with fewer than 10 employees.



## 7. ADDITIONAL INFORMATION FOR RECIPIENTS

This section contains information which will be relevant only to applicants who are selected to receive IFIT Program funding.

### 7.1 CONTRIBUTION AGREEMENT

Following project approval, a contribution agreement will be signed by the successful applicant and Natural Resources Canada. The applicant will then become a funding recipient and will be required to meet the obligations as outlined in the agreement. Until a contribution agreement is duly executed by the parties, no obligation exist on the part of Natural Resources Canada to contribute funding to a project.

The IFIT Program requires reporting both during project execution and after the project is complete. Full details of reporting will be laid out in the contribution agreement but recipients can expect the following:

For funded studies:

1. Quarterly reports during the project execution stage. These will include:
  - a. Financial information for the project including cash flows and overhead descriptions.
  - b. A progress report to describe activities undertaken to meet project objectives.
  - c. An updated Diversity and Inclusion Plan and Questionnaire for the first quarterly report of each fiscal year.
2. A final report once the project activities have been completed. This will include:
  - a. A financial component to describe how IFIT funds have been spent.
  - b. A narrative report that describes project activities, benefits, diversity and inclusion measures taken, and the achievement of key performance indicators.
  - c. A knowledge dissemination plan to share non-proprietary results of the study with the Canadian forest sector.
3. One post-project report, one year after the completion of the study. This will include:
  - a. A narrative report that describes activities undertaken by the recipient in relation to the study and study result. This report must include how non-proprietary results of the study have been shared publicly with the Canadian forest sector.
  - b. An updated Diversity and Inclusion Plan and Questionnaire.



## 7.2 IMPACT ASSESSMENT CONSIDERATIONS

The Impact Assessment Act and its regulations establish the legislative basis for the federal practice of impact assessment in most regions of Canada. Projects in Canada's north are assessed under separate legislation, depending on the region in which the proposed project will occur.

Under the Act, an impact assessment (potential environmental, health, social and economic impacts of proposed projects, including benefits) may be required for Designated Projects. A Designated Project includes one or more physical activities that are listed in the Physical Activities Regulations (commonly known as the Project List), as well as any physical activity incidental to those listed physical activities. If you are unclear as to whether your project and its physical activities are captured under the Physical Activities Regulations, please contact the Impact Assessment Agency of Canada.

Projects not on the Designated Project List may require a federal impact assessment if they occur on federal lands or outside of Canada, involve a physical activity related to a physical work, and involve Natural Resources Canada through funding. Additional information on Impact Assessment for projects on federal lands or outside of Canada can be found in sections 82 through 91 of the Impact Assessment Act. Applicants are not required to submit any additional information regarding Impact Assessment at the application stage. In cases where the Impact Assessment Act might apply to a proposed project, the IFIT Program will work with project applicants to assess the requirements specific to their project.

## 7.3 DUTY TO CONSULT

The Supreme Court of Canada affirmed that the Government of Canada has a legal duty to consult with Indigenous groups, and where appropriate to accommodate, when a contemplated Crown conduct may have adverse impact on existing or potential Aboriginal or treaty rights. This is true whether those Aboriginal rights have been established (proven in court or agreed to in treaties) or whether there is potential for rights to exist.

The duty to consult is an important part of the federal government's activities, including for regulatory project approvals and provision of funding, licensing and authorization of permits, operational decisions, policy development, negotiations and more. Federal departments and agencies are responsible for understanding how and when their activities could have an adverse impact on Aboriginal and treaty rights, and consultation should occur prior to the federal government taking any action.

To that end, for each project proposal that advances to the shortlist, IFIT program officers will review applications to determine if the proposed project is likely to result in an adverse impact on established, claimed or potential Aboriginal or treaty rights. Where appropriate, a meaningful and adequate consultation process, commensurate with the severity of adverse impact and the strength of the claims, will be undertaken.



Proponent consultation with Indigenous groups is not required under the IFIT Program as part of the application process. However, applicants are encouraged to report if they have already conducted consultation or engagement activities in relation to the project proposal, or as part of the applicant's ongoing operations/corporate commitments. Applicants are asked to identify the Indigenous groups they have interacted with and describe the type and frequency of activities undertaken.

## 7.4 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 Natural Resources Canada] 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 Natural Resources Canada from disclosure. First, the Applicant's documents supplied to Natural Resources Canada must contain financial, commercial, scientific or technical information. Second, the Applicant must consistently treat such information in a confidential manner. In other words, Natural Resources Canada 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://lois-laws.justice.gc.ca/eng/acts/A-1/index.html>).

## 7.5 TAX TREATMENT

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)).



## 7.6 AUDIT RIGHTS

Funding recipients will be required to:

- keep proper accounts and records 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 Natural Resources Canada any overpayments of the contribution disclosed by an audit.

## 7.7 INTELLECTUAL PROPERTY

Any background intellectual property required for the project must vest with the applicant or the applicant must hold sufficient background intellectual property rights to allow their project's activities to be carried out. Additionally, they must hold sufficient rights to permit them to exploit the intellectual property resulting from their project's activities.



## 8. PROGRAM CONTACT

Applicants are encouraged to consult the program's website <http://forest-transformation.nrcan.gc.ca/> for updates regarding the timing and availability of funding opportunities. A list of Frequently Asked Questions is available on the website and questions can be emailed to the IFIT team at [ifit-itif.nrcan@canada.ca](mailto:ifit-itif.nrcan@canada.ca).