



Technology Partnerships  
Canada

An Agency of  
Industry Canada

Partenariat technologique  
Canada

Un organisme  
d'Industrie Canada



## SPECIAL OPERATING AGENCY FRAMEWORK DOCUMENT

Canada

Industry Canada  
Library - Queen

MAY - 4 2007

Industrie Canada  
Bibliothèque - Queen

**SPECIAL OPERATING AGENCY (SOA)  
FRAMEWORK DOCUMENT**

Effective November 18, 1999

© Her Majesty the Queen in Right of Canada (Industry Canada) 1999



# TABLE OF CONTENTS

Article	Section	Page
<b>1.0</b>	<b>Title and Rationales</b> .....	3
	1.1 Agency Name .....	3
	1.2 Rationale for TPC.....	3
	1.3 Rationale for Special Operating Agency (SOA) Status for TPC.....	3
<b>2.0</b>	<b>Management Framework</b> .....	4
	2.1 Mandate and Vision.....	4
	2.2 Program Objectives .....	4
	2.3 Guiding Principles .....	5
<b>3.0</b>	<b>Lines of Business Overview</b> .....	5
	3.1 Environmental Technologies.....	5
	3.2 Enabling Technologies.....	6
	3.3 Aerospace and Defence .....	6
<b>4.0</b>	<b>Financial Matters</b> .....	6
<b>5.0</b>	<b>Organizational Framework</b> .....	7
	5.1 Executive Director.....	7
	5.2 Employees .....	7
	5.3 TPC Advisory Board .....	7
<b>6.0</b>	<b>Accountability and Reporting Relationships</b> .....	8
	6.1 Accountability and Relationships.....	8
	6.1.1 Minister .....	9
	6.1.2 Associate Deputy Minister .....	9
	6.1.3 Executive Director.....	9
	6.1.4 Administrative Matters .....	10
	6.2 Planning and Reporting.....	10
	6.2.1 Planning and Reporting Framework.....	10
	6.2.2 TPC Business Plan .....	11
	6.2.3 TPC Annual Report .....	11

Article	Section	Page
6.3	Financial Control and Accounting.....	11
6.4	Program Review .....	11
6.4.1	Performance Measures .....	11
6.4.2	Service Standards .....	14
6.4.3	Evaluation .....	14
6.4.4	Audit.....	14
6.5	Requested Authorities and Flexibilities .....	14
Appendix A	— Technology Partnerships Canada Advisory Board: Terms of Reference.....	15
Appendix B	— Technology Partnerships Canada Organizational Structure and Partnering Relationships .....	17

## 1.0 TITLE AND RATIONALES

### 1.1 Agency Name

---

The name of the Special Operating Agency is *Technology Partnerships Canada* (TPC). The name reflects the reasons for establishing TPC: a focus on assisting Canadian firms, organizations or institutions in conducting research and development in leading-edge technologies; partnerships both with the private sector and within government; and a national program with federal involvement.

### 1.2 Rationale for TPC

---

The creation of Technology Partnerships Canada was announced as part of the 1996 Budget speech. The environment which led to TPC's creation included:

- the recognition that future economic growth and job creation will largely depend on the success of Canadian firms in developing and adopting leading-edge technologies;
- reports indicating that productivity improvement in Canada lags that of other industrialized countries;
- an OECD report which indicates that Canadian industry suffers from an innovation gap, particularly in terms of the adoption and development of new technologies;
- the identification of a gap in the federal government's support for private sector pre-competitive technology development, particularly for environmental and enabling technologies; and
- the absence of tools needed to implement the government's commitment of sustainable development and defence conversion.

### 1.3 Rationale for Special Operating Agency (SOA) Status for TPC

---

The three major reasons for establishing TPC as an SOA include:

- *ensuring sound financial administration* by isolating TPC's budget from other departmental spending pressures;
- *securing industry support* by providing a more businesslike approach, including stable funding; and
- *providing a new independent program delivery mechanism* through which other government departments and IC can partner in joint program delivery.

## 2.0 MANAGEMENT FRAMEWORK

### 2.1 Mandate and Vision

---

#### **MANDATE**

In a context in which innovation is essential in an increasingly knowledge-based economy, TPC is a technology investment fund established to contribute to the achievement of Canada's objectives such as increasing economic growth, jobs and wealth creation, and supporting sustainable development. TPC will advance and support government initiatives by investing strategically in research, development and innovation in order to encourage private sector investment, and so maintain and grow the technology base and technological capabilities of Canadian industry. TPC will also encourage the development of SMEs in all regions of Canada.

In an environment of continuing fiscal restraint, TPC will take an investment approach, targeting an average sharing ratio of not more than 33 percent (with typical project sharing ratios ranging between 25 percent and 30 percent). TPC will share with its private sector partners in the risks and the rewards, the rewards to the program consisting of both financial returns and economic benefits. TPC will manage the contributions so that all repayments are recycled into TPC, allowing potential for future growth.

TPC is to deliver this mandate in such a way that one-third of TPC funding is targeted to environmental and enabling technologies.

#### **VISION**

TPC will be a professional organization, dedicated to working in close partnership with other parts of the federal government and the private sector, capable of making strategic high risk investments in R&D to achieve specific objectives.

### 2.2 Program Objectives

---

Contributions under TPC will be administered in a way that will contribute to:

- increasing economic growth and creating jobs and wealth;
- supporting sustainable development;
- maintaining and building the industrial technology and skill base essential to a knowledge-based economy;
- encouraging the development of SMEs in all regions of Canada;
- encouraging private sector investment;
- managing the contributions so that all repayments are recycled into TPC, allowing potential for future growth;
- managing the sharing ratios on TPC contributions, with a target of an average TPC sharing ratio of no more than 33 percent (with typical project sharing ratios between 25 percent and 30 percent); and
- taking an investment approach through sharing in rewards as well as in risks.

Specific objectives to be achieved by TPC over identified planning periods will be published in successive editions of the Agency's business plan.

## 2.3 Guiding Principles

---

TPC is to be:

- **Financially Innovative:** cost shared, with companies bearing the majority of costs and government sharing in upside returns on successful projects;
- **Fiscally Responsible:** an investment approach with all repayments recycled into TPC, allowing potential for future growth;
- **Results Oriented:** focussed on high risk innovation projects which address identified needs and specify concrete outcomes;
- **Strategic:** built on areas of technical strength and strategic importance such as environmental technologies, aerospace and defence, selected applications of information technologies, biotechnology, advanced manufacturing and processing technologies and advanced materials;
- **National:** accessible in all regions of Canada and consistent with the sectoral priorities of federal regional organizations;
- **Accessible to SMEs:** ensuring fair and open access to the program through program delivery on a national basis, interdepartmental review of projects, special program delivery arrangements and a recognition of the challenges facing small companies;
- **Based on Partnerships:** TPC is guided by government/industry strategies, structured to be complementary to existing programs, coordinated by an interdepartmental committee and overseen by a private-sector-based advisory board;
- **Accountable:** for program performance to its sponsoring department, to its Minister and to its clients; and
- **Risk Managers:** in a fiscally responsible manner, TPC will share technological and financial risks with the private sector.

## 3.0 LINES OF BUSINESS OVERVIEW

TPC has three eligible areas: environmental technologies, enabling technologies, and aerospace and defence (including defence conversion). TPC business plans and accountability documents (e.g. annual reports) will be structured to make clear the strategies, operations and performance of each program area.

### 3.1 Environmental Technologies

---

The **environmental technologies** component encourages and supports the development and application of innovative technologies that contribute to the achievement of sustainable development, or that have significant environmental benefits.

These technologies hold the promise of providing solutions to Canada's most pressing environmental problems. Moreover, these technologies are broadly applicable and can benefit a wide range of businesses.

In that context, projects address priority environmental areas such as the development of sustainable alternatives (better conservation of energy, water and non-renewable resources), pollution prevention through the development of clean process technologies (including clean car technologies), pollution abatement (technologies that reduce waste or harmful emissions) and pollution remediation.

### 3.2 Enabling Technologies

---

The **enabling technologies** component encourages and supports the development, application and diffusion of those critical technologies that will have major impact and benefits within and across industry sectors. It involves projects in critical areas such as advanced manufacturing and processing technologies, advanced materials processes and applications, applications of biotechnology, applications of selected information technologies, and such other technologies as may be designated from time to time by the Minister.

Enabling technologies have the potential to create economic opportunities across an array of industry sectors, provide benefits to Canadian consumers and generate economic growth and jobs. Companies dealing in enabling technologies must continually improve their knowledge base and have receptor capacity to acquire and exploit technology developed in Canada and elsewhere.

### 3.3 Aerospace and Defence (including Defence Conversion)

---

The Canadian aerospace and defence sector is one of Canada's most knowledge-intensive industries, accounting for 15 percent of all research and development performed here. More than 60 000 Canadians — many in highly paid, highly qualified positions — are employed by the 500 firms in this sector. Aerospace and defence provides more science and engineering jobs than any other sector in Canada.

The **aerospace and defence** component encourages and supports the development and application of those technologies essential for the development of these sectors. It involves projects that sustain and expand the technological capacity and capability of these sectors. Support is also available for defence conversion projects aimed at reducing the dependency of enterprises on military contracts.

## 4.0 FINANCIAL MATTERS

TPC's activities are funded through Parliamentary appropriations. One-third of TPC funding will be targeted to support environmental and enabling technologies.

Assistance will be in the form of repayable contributions at a level and amount deemed by the Minister to be justified in light of the anticipated benefits for Canada. The sharing ratio of assistance under TPC will normally not exceed 33 percent of the eligible costs of the project (with typical project sharing ratios ranging between 25 percent and 30 percent). In exceptional circumstances, when the Minister deems it essential to the success of the project, and deems it justified by the potential economic benefits, the sharing ratio may reach, but will not exceed, 50 percent of the eligible costs of the project.

Repayments of contributions will be set by the Minister in accordance with the repayable contributions policy of Treasury Board.

In view of the risks inherent in projects of a high-technology nature, it is recognized that not all projects will succeed, and consequently, that not all contributions will be fully repaid.

TPC will manage the contributions so that all repayments are recycled into TPC, allowing potential for future growth.

TPC will be managed in such a way that program administration will consume approximately 3 percent of total program funding.

## 5.0 ORGANIZATIONAL FRAMEWORK

### 5.1 Executive Director

---

TPC will be headed by an Executive Director who manages the personnel, facilities and financial resources, ensuring that activities are pursued in accordance with advice provided by the TPC Advisory Board and that the program operates in an efficient and effective manner. Detailed accountabilities of the Executive Director are set out in Article Six of this framework document.

### 5.2 Employees

---

TPC will retain maximum flexibility in the development of an appropriate organizational structure and the capacity to recruit, staff, promote, terminate, deploy and reward its employees pursuant to the *Public Service Employment, Staff Relations* and *Financial Administration* acts as well as regulations and policies related thereto. TPC is committed to the government's employment equity objectives.

TPC human resources management objectives are to create a professional working environment balancing the needs of the organization and individuals, and to promote ongoing development of employees while striving for excellence in the delivery of its services in the most efficient and effective manner. TPC will constantly review its practices in this area and adopt changes where required.

TPC will encourage and profit from interchanges with its government partners as well as private sector organizations that are not directly associated with its industrial sector client groups. In particular, TPC will welcome employee exchanges with its principal government partners.

### 5.3 TPC Advisory Board

---

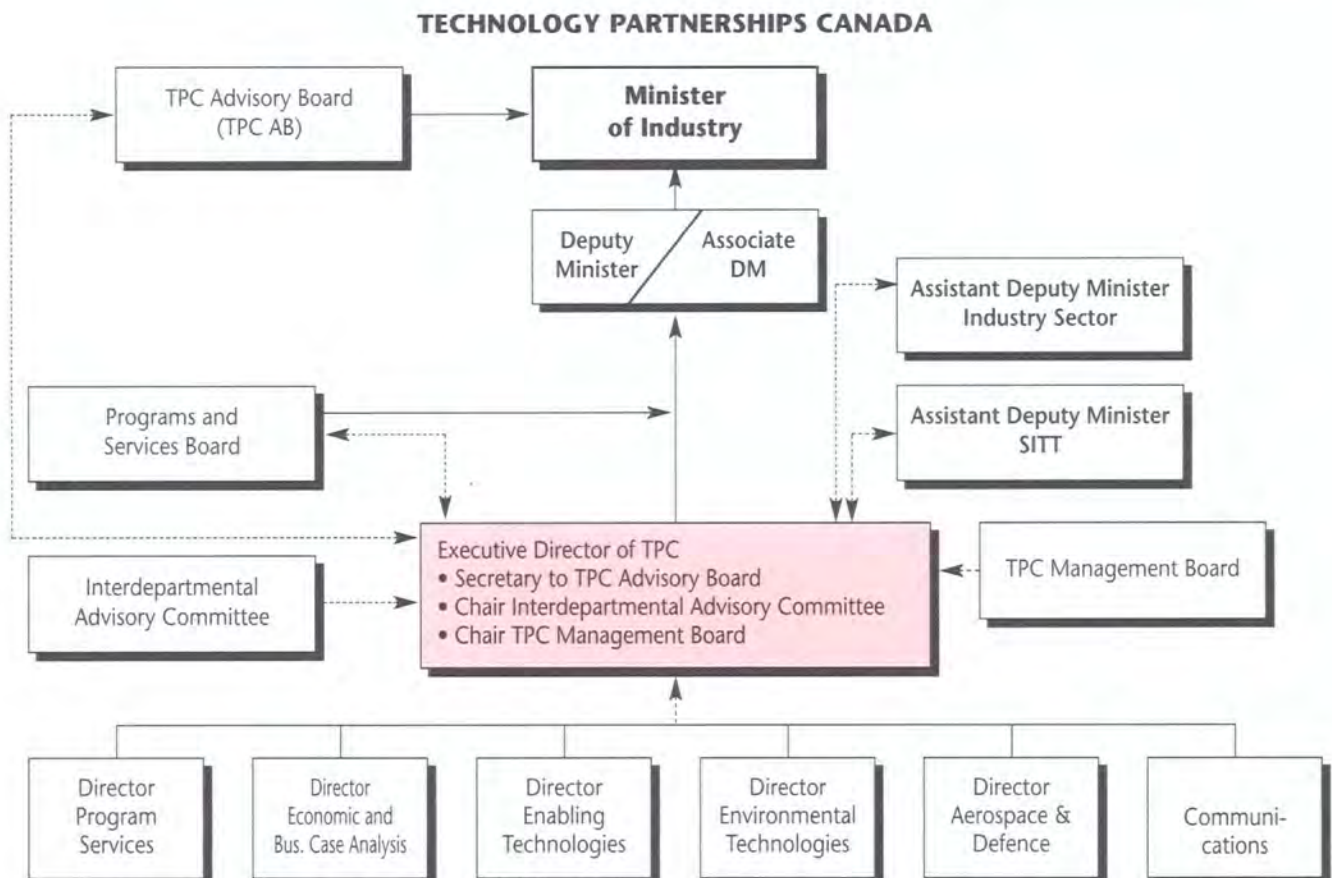
Terms of Reference for the private sector TPC Advisory Board are set out in Appendix A.

## 6.0 ACCOUNTABILITY AND REPORTING RELATIONSHIPS

The accountability framework and reporting relationships for TPC balance the independence of TPC decision making with a degree of oversight provided by several advisory bodies. This allows TPC to make the best informed decision possible in an effective, efficient and timely manner. The TPC Advisory Board does not provide advice for specific cases, rather it provides the Minister and TPC executive with advice on technology development and strategic direction. In terms of specific cases, the TPC Management Board (consisting of TPC Directors and invited Industry Canada Sector Branch DGs) provides advice on all aspects of proposed investments, including sector strategy and technology development, while the Interdepartmental Advisory Committee provides broader government advice and the Programs and Services Board provides Industry Canada policy direction and reviews recommendations on larger projects. The TPC Executive Director may, where there is disagreement on the merits of an individual case, escalate the decision to the Associate Deputy Minister, Deputy Minister and Minister for final resolution.

The Deputy Minister is accountable for the administration of all corporate functions, including comptrollership, human resources, information management and information technology and communications. Heads of corporate services, in turn, are accountable for providing functional direction and services on behalf of the Deputy (e.g. the Corporate Comptroller as the Departmental Senior Financial Officer). TPC will support these corporate responsibilities and accountabilities and work with corporate areas in fulfilling these roles. Corporate areas will assist TPC to address operational requirements and achieve greater efficiencies, cost savings and improving client services. The nature of these functional relationships will be defined through MOUs.

### 6.1 Accountability and Relationships



#### 6.1.1 Minister

The Minister is accountable to Parliament for the activities of TPC. The Minister's authority with regard to technology investment programming has been vested in the Deputy Minister and in the Associate Deputy Minister whose principal agent, TPC, delivers direct program support to industry. The Minister:

- approves cases where TPC's contribution is between \$5 million and \$10 million; and
- refers cases where TPC's contribution is greater than \$10 million to Treasury Board for approval and those with contributions greater than \$20 million to both Treasury Board and Cabinet for approval.

#### 6.1.2 Associate Deputy Minister

- With the Executive Director, briefs the Deputy Minister and Minister on the ongoing progress of the program and recommends to the Minister approval for all cases over \$5 million.
- Approves cases where the TPC contribution is between \$1 million and \$5 million, after taking PSB advice into consideration.
- Is accountable, with the Executive Director, for the overall performance of the program.

#### 6.1.3 Executive Director

The Executive Director is the senior officer of the Agency and is accountable to the Associate Deputy Minister for managing the personnel, facilities and financial resources of TPC. As the head of an SOA, the TPC Executive Director is considered to be an ADM equivalent for the purposes of Financial Signing Authorities.

The Executive Director is accountable for:

- contributing to the realization of the department's strategic objectives, particularly those related to improving Canada's innovation performance and encouraging investment in Canada;
- the overall performance of the organization, including implementation of policy development and strategic planning initiatives and the achievement of objectives and performance targets established in the annual business plan;
- approval of cases where TPC's contribution is under \$500 000, and for formulating recommendations for all cases where TPC's contribution is over \$500 000, and with concurrence of PSB, for approving all contributions between \$500 000 and \$1 million;
- rejection of cases where the maximum contribution potentially available is less than \$500 000, and rejection of cases where the maximum contribution potentially available is greater than \$500 000 but less than \$5 million, with concurrence of PSB; and recommendations to the Minister to reject cases over \$5 million;
- putting in place effective measurement and control systems for financial and program commitments;
- supporting and advising the Interdepartmental Advisory Committee, the TPC Advisory Board and the Minister on all relevant matters for their information and to obtain advice and/or Ministerial direction;

- supporting and advising the Associate Deputy Minister on administrative matters relating to TPC and ensuring open, full and timely communication with interested parties;
- adhering to legislative and government policy requirements in exercising all delegated financial, personnel and administrative authorities;
- concluding all agreements related to the delivery of the TPC program; and
- proposing, in consultation with the relevant sector branches and the appropriate ADM, alternate delivery mechanisms, subject to the normal delegations of authorities.

Appendix B describes the partnering relationships TPC has within the federal government.

#### **6.1.4 Administrative Matters**

The Minister of Industry will be the contracting authority for all TPC cases. TPC has negotiated the provision of certain common and administrative services from its parent department and other common service agencies. Many of these services (e.g. legal, contract administration and information management) are critical to the effective operation of the program. The terms and conditions of these arrangements are formalized in agreements signed by the Executive Director. While TPC will continue to receive services from its parent department under agreement, these requirements could reduce over time as the Agency explores other options to undertake some of these functions. Other services, such as human resources, corporate finance and departmental communications, are provided as part of Industry Canada's ongoing operations. Local finance, TPC communications and ministerial correspondence will be performed by TPC. TPC will, where necessary, put agreements into place with other branches of Industry Canada (e.g. Industry Sector Branches (ISBs), Communications Research Centre (CRC) and the Spectrum, Information Technologies and Telecommunications Sector (SITT)) and other major stakeholders such as the National Research Council (NRC), the Business Development Bank of Canada (BDC) and Investment Partnerships Canada (IPC) and regional agencies.

## **6.2 Planning and Reporting**

---

Planning and reporting items will, as applicable, be based on guidelines provided in TPC's Evaluation Framework, including activities, outputs and impacts.

### **6.2.1 Planning and Reporting Framework**

The Executive Director will submit an annual business plan, an annual report, and performance reports as requested to the Associate Deputy Minister, Deputy Minister and Minister. Annual plans and specialized reports will be developed for, and reviewed with, the TPC Advisory Board. These documents are the principal and formal means by which TPC is held to account by the Minister.

### 6.2.2 TPC Business Plan

The TPC business plan will follow the business plan document process for the department. It details strategic and operational initiatives and provides the framework for TPC operations. It will be the document against which the performance of TPC will be measured over the medium term (1-3 years). The plan outlines an environmental assessment, communications and operational considerations, quality and level of service initiatives, budgets (including proposed expenditures and sources of funds) and performance objectives for the planning period.

### 6.2.3 TPC Annual Report

The annual report completes the accountability cycle by reflecting financial and operating results for the previous fiscal year. The annual report is the primary reporting framework to the Minister and will be tabled in Parliament by the Minister. It will also report on the state of the overall TPC portfolio.

## 6.3 Financial Control and Accounting

---

TPC staff will use Industry Canada's financial control and management accounting system which provides for regular review of actual costs, revenues, operating performance and cash flow compared to budget in accordance with established accounting standards. TPC will align itself with Industry Canada's move to an accrual-based accounting regime. Industry Canada's financial system will provide the data required for disclosure in the Main Estimates and Public Accounts in order to meet the requirements set out by the Treasury Board and the Receiver General.

## 6.4 Program Review

---

TPC's program review process is based on guidance contained in the Agency's Evaluation Framework. TPC will conduct program review through a complementary process which utilizes performance measures, audit, evaluation and client service standards. TPC's primary activities in each of these four program review areas are summarized below.

### 6.4.1 Performance Measures

TPC's performance measures are grouped under categories closely linked to the impact/effect of the Agency's operations, namely: leverage, repayment, economic benefits, strategic balance, regional balance, accessible to SMEs, partnerships and accountability. These areas, which are included in TPC's Evaluation Framework, can be measured over the near term using data collected from investment partners and retained in the Agency's Contribution Management Information System (CMIS). To measure longer term downstream impacts and effects, CMIS data will have to be supplemented with information obtained through a variety of collection methods, including interviews, surveys, focus groups, case studies, etc.

TPC's Evaluation Framework identifies eight guiding principles for ensuring its effective contribution to government initiatives. As identified in the chart below, the areas of impact/effect identified above are combined with TPC's guiding principles and performance indicators to form the basis of the Agency's performance measures. Specific targets for performance indicators will be identified annually in TPC's business plan.

TPC PERFORMANCE MEASURES		
No.	Guiding Principle	Performance Indicator
<b>LEVERAGE</b>		
1.	<b>Financially Innovative:</b> TPC projects are cost-shared, with the private sector bearing the majority of costs and the government sharing in upside returns on successful investments.	a. Weighted average (by value) TPC sharing ratio. b. Dollars of total innovation spending leveraged per dollar of TPC investment. <i>Note:</i> Innovation spending includes eligible project costs, ineligible capital project costs (e.g. land and buildings) and downstream investments in R&D and related capital costs.
<b>REPAYMENT</b>		
2.	<b>Fiscally Responsible:</b> TPC has implemented an investment approach whereby the government shares in the risks and rewards with repayment recycled to sustain and grow the fund.	a. Ratio of repayments earned to disbursements. b. Dollars of current forecasted repayments per dollar of investment. c. Ratio of actual repayments earned to forecasted repayment. d. Ratio of repayments collected to repayments receivable.
<b>ECONOMIC BENEFITS</b>		
3.	<b>Results Oriented:</b> TPC's investments are focussed on generating economic benefits for Canada, in particular high quality jobs.	a. Average cost per job created or maintained — total investment divided by the total number of projected jobs created or maintained. b. Summary table of actual jobs created or maintained by type (e.g. science and engineering, technical and skilled labour, management and administration, etc.).

TPC PERFORMANCE MEASURES (CONT'D)		
No.	Guiding Principle	Performance Indicator
<b>STRATEGIC BALANCE</b>		
4.	<b>Multi-sectoral:</b> TPC builds on areas of Canadian strength, including the aerospace and defence sector, environmental technologies and enabling technologies such as selected applications of information technologies, biotechnology, advanced manufacturing and processing technologies and advanced materials.	Total dollar value of TPC investments split between environmental and enabling (E&E) technologies and aerospace and defence (A&D).
<b>REGIONAL BALANCE</b>		
5.	<b>National Coverage:</b> The TPC program is relevant to all regions of Canada and is consistent with the sectoral priorities of federal regional organizations.	The number and total value of investments split by regions — the West, Ontario, Quebec and the Atlantic.
<b>ACCESSIBLE TO SMEs</b>		
6.	<b>Fair and Equitable Access:</b> TPC is committed to ensuring fair and open access to the program through delivery on a national basis, interdepartmental review of projects, special marketing initiatives and recognition of the challenges facing small companies.	Total distribution of TPC investments by value and number of projects between SMEs and large firms.
<b>PARTNERSHIPS</b>		
7.	<b>Based on Collaboration:</b> TPC's operations and investment strategies are guided by government priorities and industry strategies, structured to be complementary to existing programs, coordinated by an interdepartmental committee and overseen by a private sector based advisory board.	The extent to which TPC consults with its operating partners.
<b>ACCOUNTABILITY</b>		
8.	<b>Accountable:</b> TPC is accountable for program performance to the Minister of its parent department, Industry Canada, and its clients.	Program and client accountability targets established by TPC and agreed to by its parent department.

#### **6.4.2 Service Standards**

Working in close collaboration with its clients, TPC has developed service standards. As TPC's investment approach is relatively new to government, not much is known about client satisfaction, expectations and concerns. Therefore, exploratory research was undertaken to acquire an understanding of the range and complexity of client expectations and needs. Through the use of client service standards, TPC's goal is to continuously improve its quality of service by assessing client satisfaction, measuring its performance against these standards and resolving problems/concerns raised by clients.

#### **6.4.3 Evaluation**

The Executive Director and TPC staff will support the conduct of formal evaluations of the Agency and its operations from time to time. Such evaluations will go beyond those aspects of performance that are subject to ongoing monitoring and control for purposes of management and accountability to include broader issues such as mandate, relevance and impact of the program and its contribution to the department's strategic objectives. The Executive Director will be responsible for ensuring that the information necessary to conduct such evaluations is made available to Industry Canada program evaluators and may initiate additional evaluations at any time.

TPC will conduct an interim evaluation encompassing the Agency's initial four years of operations (FYs 1996-1997 to 1999-2000 inclusive). Amongst other pertinent issues, the interim evaluation will address the appropriate time-frame to conduct a full evaluation which would involve in-depth coverage of all issues and a rigorous review of program impacts and effects.

#### **6.4.4 Audit**

TPC will be subject to regular internal audit by Industry Canada auditors and to external audit by the Auditor General of Canada.

### **6.5 Requested Authorities and Flexibilities**

---

TPC supports multi-year development projects, the timing of which is heavily influenced by technological and market forces. TPC must, therefore, be in a position to modify annual appropriations to match changes in cashflow requirements of investment partners. As a result, TPC has developed, and will continue to explore, alternative administrative arrangements with Treasury Board Secretariat to enhance its financial flexibility to reprofile funds both forward and backward.

## TECHNOLOGY PARTNERSHIPS CANADA ADVISORY BOARD

### Terms of Reference

---

#### Mandate

To provide the Government of Canada with expert, private sector advice on the vision and goals for the Technology Partnerships Canada (TPC) Program. Specifically the Advisory Board will:

- assess trends and opportunities within eligible technologies and sectors to ensure that TPC targets these opportunities;
- provide advice on details of program design such as sector and technology eligibility, and criteria for evaluating applications;
- provide advice on the development of performance metrics (e.g. service delivery, program impact) for the program and on the performance of the program;
- provide advice on linkages between TPC and other players:
  - in the technology development field (e.g. university research centres and government laboratories); and
  - in the technology investment field (e.g. banks and venture capitalists);
- develop a shared private sector/federal government leadership position on technology issues addressed by TPC.

#### Structure

The Minister of Industry will be the Chair of the Advisory Board. The Vice Chair will be the Secretary of State (Science, Research and Development).

Up to 12 members will be named to the Advisory Board through Ministerial Letter from the Minister of Industry. Normally, appointments will be for a three-year term.

In addition, Ministers of other departments may be identified as Participating Ministers by the Minister of Industry.

The Deputy Minister of Industry Canada (or Associate Deputy Minister), and the Executive Director of TPC, will be ex-officio members of the Advisory Board.

Conflict of interest issues will be dealt with in a manner consistent with the government rules and guidelines.

#### Operations

Meetings will be held two to four times per year.

The Executive Director of TPC will also serve as Secretary to the Board. Secretariat services will be provided by TPC. These services will include administrative and operational support and a capacity for in-house and out-sourced research and policy analysis.

The Board will not play a direct role in case assessment and evaluation.

The Board Members will be remunerated for all travel and administrative expenses directly attributable to Board undertakings in accordance with Central Agency policies.

The Board may call on the assistance of Supplementary Members on specific issues. These Supplementary Members will not be considered as full members of the Board, but may participate in working group discussions and activities.

## TECHNOLOGY PARTNERSHIPS CANADA ORGANIZATIONAL STRUCTURE AND PARTNERING RELATIONSHIPS

### Organizational Structure

TPC is managed by the Executive Director under an organizational structure that has four major elements:

- **Operations** consists of three separate directorates representing the program components of Environmental Technologies, Enabling Technologies and Aerospace and Defence. The operational directorates are responsible for optimizing their contribution to the realization of TPC's objectives in their respective program areas and within their available budgets. Specifically, these responsibilities include:

  - 1) formulating program objectives and undertaking program planning;
  - 2) establishing teams from TPC and elsewhere to conduct due diligence on funding applications;
  - 3) collaborating on priorities and formulating decisions/recommendations on projects;
  - 4) negotiating and concluding agreements/contracts related to delivery of the TPC program;
  - 5) managing contracts, including negotiating amendments and assessing claims;
  - 6) providing support to initiatives led by the Sector Branches (SBs) of the Industry and SITT Sectors (e.g. sector policy development and analysis) as mutually agreed upon;
  - 7) developing agreements with government organizations; and
  - 8) developing, negotiating and managing alternate delivery service mechanisms or arrangements.
- **Program Services**

  - 1) Coordination of TPC planning and reporting, including annual business plan, annual report and specialized reports to TPC Advisory Board.
  - 2) Financial management support, including payments, repayments reporting and analysis and coordination of Treasury Board submissions.
  - 3) Management of repayments and recoveries.
  - 4) Coordination and delivery of contract and contracting administration services through Industry Canada legal services and Public Works and Government Services Canada (PWGSC).
  - 5) Administration of the project approval process, including policy development, quality assurance and client service standards.

- ***Economic and Business Case Analysis***

- 1) With respect to specific investment opportunities, providing assessments of the financial viability, economic benefits and attendant risks of applicants under the program and their business plans and/or proposals and offering advice on the appropriate level of assistance and modalities of repayment.
- 2) Directing the conduct of professional research for use in the development of TPC investment strategies and policies.
- 3) Directing the design and implementation of a comprehensive, results orientated program of performance measurement for the assessment, monitoring and evaluation of the economic impacts of the TPC program.

- ***Communications and Promotion Services*** is responsible for the marketing and promotion of the program to client constituencies and other stakeholders, as well as public and Ministerial communications, including event/announcement planning and coordination and media relations. The group has responsibility for the coordination and production of communications and promotional materials (and activities), and the provision of strategic communications planning and advice to Ministers and senior officials.

## PARTNERING RELATIONSHIPS

### ADM Industry Sector

---

- Establishes the policy and strategic context for TPC's work in general terms and with particular emphasis on target technologies.
- Serves as first source of subject-matter expertise to TPC.
- Supports evaluation of individual cases, in particular, complex cases with large companies. The Sector viewpoint will be recorded in each case evaluation. In instances where TPC does not accept sectoral advice, the reason will be documented and discussed by the TPC Management Board before decision.
- Assists in marketing the program, notably targeted marketing such as presentations to industry associations. Promotes linkages between large and small companies and other players in the Canadian innovation system (e.g. universities and government laboratories).
- ADM Industry Sector must participate in all PSB meetings where TPC cases are reviewed.
- Details of the working relationship between TPC and the Industry Sector have been negotiated and formalized in a Memorandum of Understanding (MOU).

## ADM SITT

---

- The ADM Spectrum, Information Technologies and Telecommunications (SITT) works in parallel with Industry Sector Branch ADM specific to the requirements of the Information Technologies sector and the Enabling Technologies component.

## Programs and Services Board (PSB)

---

- Chaired by ADM Operations. A minimum of either three ADM level members, or two ADM and three DG level members is required to constitute a quorum. When TPC cases are considered, the ADM Industry Sector must participate.
- Plays a counterpart role at the departmental level to that played by the Treasury Board at a government-wide level; that is, a corporate-wide check and balance on the recommendations of TPC.
- TPC Executive Director, in conjunction with the Chair of PSB, ADM Industry Sector, and ADM SITT as required, briefs the Associate DM/Deputy Minister/Minister in accordance with delegated signing authorities.
- The PSB Secretariat organizes PSB meetings, obtains necessary signatures in accordance with delegated authorities and issues records of decision.

## Interdepartmental Advisory Committee (IAC)

---

- Chaired by the Executive Director, TPC. Membership includes representatives of Environment Canada, DND, ACOA, CED, WD, FAIT, NRC, NRCan, PWGSC and the Canadian Space Agency.
- Reviews all cases, particularly those which have significant interdepartmental implications, or those that are precedent setting.
- IAC advises TPC on interdepartmental implications of policy, programming or investment issues; it represents an internal due diligence process and provides one more check in the investment decision process.
- Meetings are held at the request of members on specific cases or at the call of the Chair approximately every quarter. Industry Canada Sector Branch DGs are invited to attend.

## TPC Management Board

---

- The TPC Management Board is chaired by the Executive Director of TPC and consists of TPC Directors. Also, representatives of the following sectors of Industry Canada are invited to attend: Industry Sector Branches working directly with TPC's three components; Comptroller's Branch; Communications Research Centre (CRC); and the Spectrum, Information Technologies and Telecommunications (SITT) Sector.
- The board provides a forum for managers across Industry Canada to provide advice on all aspects of proposed investments, including sector strategy and technology development, before recommendations are finalized and decisions made.

## Principal Industry Canada Partners

---

### Sector Branches (SBs)

- SBs, of the Industry and the SITT Sectors, work with clients and with many external partners to develop sector strategies, technical assessments, priorities, and technology roadmaps aimed at providing strategic policy direction for the program. They also promote linkages between large and small companies and other players in the Canadian innovation system (e.g. universities and government laboratories).
- While SBs have primary responsibility for sector policy development and analysis, TPC actively participates in the process. Consequently, industrial development strategies and policies applicable to TPC's three components are not formulated in isolation from the Agency. TPC's support of this SB-led initiative is an example of the viable working relationship forged between the Agency and its parent department.
- The SBs use information products, services and policy as their tools; TPC uses investments in strategic technologies.
- SBs serve as the first source of subject-matter expertise to TPC. As members of TPC-led case evaluation teams, SBs provide advice on sector strategy and technology development. SB viewpoints are recorded in each case evaluation. Finally, SBs participate in the development of alternate service delivery mechanisms and in marketing the program, notably targeted marketing such as presentations to industry associations.
- *Regional Offices* help promote TPC across Canada, provide an access point to TPC and, where appropriate, advise on cases.
- *Investment Partnerships Canada (IPC)* aims to attract foreign direct investment to Canada to strengthen strategic sectors of industry. As TPC funding is an important incentive, TPC and IPC work together to develop strategy and scenarios to influence the investment decision of foreign multinationals considering Canada as a business location.
- *Programs and Services Branch* provides expertise in all areas related to program design and delivery, performs an integrity review in accordance with the commitment made to the Minister in the context of the delegation of authorities, acts as a focal point on matters related to CEAA, and is responsible for recovery actions of contributions when a serious breach of a contract occurs.

## Principal Government Partners

---

- *Public Works and Government Services Canada (PWGSC)*: Provides important program delivery support such as negotiation of standard overheads, contract administration advice, etc.
- *Industry Portfolio*: All members will play a role in promoting and administering the TPC program.
- *ACOA, CED and WD*: Provides an access point to TPC, helps market and promote TPC across Canada, provides a regional perspective and advice on cases through the IAC and may second officers to the TPC office.
- *Environment Canada*: Helps market and promote the environmental technologies component, provides technical assessments and strategic advice on sustainable development opportunities and on environmental policy or regulatory issues, may second officers to TPC.

- *National Research Council (NRC), Canadian Space Agency, Department of National Defence (DND) and other science-based departments:* Provide technology-related and other advice during case assessment, may second officers to TPC.
- *Department of Foreign Affairs and International Trade (DFAIT):* Provides advice on international implications for the program.
- *Business Development Bank of Canada (BDC):* Provides financial and managerial advice to applicants as required.