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# GCWOOD

GREEN CONSTRUCTION THROUGH WOOD PROGRAM

## APPLICANT GUIDEBOOK 2023



### DEMONSTRATION PROJECTS

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# 1. INTRODUCTION

This guidebook was developed to assist applicants in their submission to the Green Construction through Wood (GCWood) program. It provides guidance on the type of information to be included in the Expression of Interest (EOI) and the Full Project Proposal (FPP) application forms, to be reviewed prior to submitting these application forms via an online portal. It also explains how the GCWood 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 an application form to gain a better understanding of the program and its assessment and selection process. Applicants with additional questions are encouraged to visit the GCWood program [website](#) or contact the program at [gcwood-cvbois@nrcan-rncan.gc.ca](mailto:gcwood-cvbois@nrcan-rncan.gc.ca). Program changes or notices will be made available on the website.

## 1.1 What's New

To accelerate the decarbonization of the built environment, GCWood will reorient funding for demonstrations toward innovative wood-based building systems and technologies, schematic design, and advanced bio-products used in the design and construction of infrastructure that have low greenhouse gas (GHG) emissions, are regionally representative, and are highly replicable.

The main goal of the program's demonstration stream is to prioritize direct funding to areas of high growth potential that target low carbon/GHG emissions.

Examples of successful innovative building solutions funded in the past round of GCWood's demonstration investments include:

- innovative seismic resilient systems;
- hybrid mass timber/concrete/steel floor systems targeting long spans;
- use of mass timber fire walls at the property line;
- advanced structural adhesive systems to join CLT floor panels;
- mass timber braced frames;
- mass timber curtain walls; and
- thermally broken timber balcony system.

## 1.2 Updated Application Process

The project application process has been broken into two phases:

1. An EOI phase - open to all eligible applicants
2. An FPP phase - by invitation only

The introduction of an EOI will allow GCWood to validate the project alignment with the program's eligibility criteria and provide feedback to applicants prior to the FPP phase.

## 2. PROGRAM OVERVIEW

### 2.1 Program Description

The GCWood program contributes to the Minister of Natural Resource's responsibility to deliver on the government's climate change priorities by enhancing mitigation opportunities in Canada's building construction industry using wood-based products and systems. The GCWood program continues to promote the use of low-carbon and sustainable building materials to support Canada's commitment to reach 2030 and 2050 emissions reduction targets under the Paris Agreement and long-term GHG emissions reduction priorities. The program supports Canada's efforts to decarbonize the built environment, building on recent investments in the green building sector in Budget 2022 and Natural Resources Canada's (NRCan) mandate letter commitments, including the Buy Clean Strategy, Canada's Green Building Strategy, National Adaptation Strategy, and the Low-Carbon Building Materials Innovation Hub.

The GCWood program aims to catalyze a long-term transformational change. This change would include the greater use of wood in all infrastructure projects, with broader benefits, such as GHG emission reductions and economic growth, being realized.

The renewed GCWood program will focus on low carbon, non-traditional wood construction materials and building systems to de-risk and accelerate domestic market penetration and support Canada's efforts to decarbonize the built environment.

The program will facilitate market and regulatory uptake of wood-based products and systems in Canada through demonstration projects. Funding will catalyze greater awareness of, and domestic capacity for, innovative wood building technologies and systems, design concepts, and advanced bio-products used in the construction of buildings. Funding will allow for the demonstration of a wider variety of wood intensive building systems, technologies, and products across more regions of Canada. Projects funded under this initiative using advanced wood products will directly support Canadian firms and jobs.

Projects funded by the program are expected to:

- de-risk the design and deployment of nascent design and construction concepts for wood construction (such as prefabrication including modular construction, Design for Disassembly/Adaptability (DfD/A), and retrofits);
- address the need for affordable housing and community infrastructure;
- decarbonize the built environment;
- address technical challenges, research, testing or other impediments to the use of wood in construction projects in Canada;
- gather data through instrumentation and monitoring to study and improve understanding of the performance of wood infrastructure, accelerate the adoption of innovative technologies and systems, and fill gaps identified by the insurance industry and other key stakeholders;

- help building owners and developers showcase their innovative wood infrastructure projects, enabling marketing and replication of future sustainable and resilient building projects;
- support costs associated with the design, engineering, code equivalency, or construction of a wood building (that would not be incurred if the building was built with traditional materials);
- raise awareness of off-site prefabrication efficiencies, speed of construction, reduced waste, and other benefits associated with prefabrication of building components;
- expand the understanding and use of life cycle analysis and related carbon accounting research;
- showcase best practices and share lessons to support future uptake of technologies, systems, designs and products in timber construction; and
- prove-out the business case for wood use and support the costs related to the learning curve associated with regularizing wood use in the development and construction sector.

## 2.2 Program Duration

The GCWood program funding will be available to recipients until March 31, 2026. All eligible expenditures for GCWood contributions must be incurred and paid on or before March 31, 2026. To address the potential for construction delays for demonstration projects, funding authorities will remain valid until March 31, 2028 so that the recipients can complete the project and deliver key performance indicators per the terms and conditions of the contribution agreement.

## 2.3 Program Eligibility

### 2.3.1 Eligible Recipients

Eligible recipients are for-profit and not-for-profit organizations, Indigenous organizations and groups, Canadian academic institutions, as well as provincial, territorial, regional and municipal governments and their departments and agencies.

### 2.3.2 Eligible Projects

To further the program's objective to encourage the increased use of wood as a low carbon building material, GCWood will fund eligible design, approval, and construction activities associated with construction projects that incorporate one or more of the following elements:

- **Schematic design:** a project to develop the design of a new wood or wood-hybrid infrastructure or existing infrastructure targeting the early design stage. The schematic design project must be linked to an actual project in Canada. The approaches submitted must be related to the use of wood and the mitigation of GHG emissions associated with the design of the actual project.

- **Innovative building solutions for wood construction:** a project to deploy innovative wood-based construction methods, technologies, processes or assemblies to address specific sustainability, construction processes or innovation goals (e.g., DfD/A, retrofitting of existing buildings, prefabrication, etc.). These innovative building solutions for wood construction are targeting new or existing wood or wood-hybrid infrastructure projects that are shovel-ready or under construction.
- **Advanced bio-based products:** a project to deploy the use of advanced wood-based products in existing or new construction to replace conventional construction materials in buildings to lower the building's carbon footprint. Examples include use of wood fibre insulation, wood-based cladding panels, etc.

Projects that do not fall within the above categories will not be eligible under this solicitation process.

Preference will be given to projects that provide the lowest carbon footprint and will apply innovations in more than one category described above. A life cycle analysis (LCA) of the project will be required and the LCA will be made publicly available. Recipients will be required to share any research and development and studies with industry (by way of an unrestricted use creative commons licence) that are developed under the projects. This is to ensure that the benefits of the projects accrue broadly to the forest industry.

### 2.3.3 Eligible Activities

The costs associated with the following activities are eligible to receive funding:

- R&D to support the schematic design/system/technology/bio-product and code compliance (fire, seismic, acoustics, building envelope, connections, durability, etc.), including engineering design, testing and modelling;
- additional engineering/design efforts associated with the innovative technology, system, bio-product or schematic design, including construction drawings and preparing plans for deconstruction;
- development and implementation of construction fire safety and moisture management strategies/plans associated with the design concept/system/technology/bio-products;
- consultation efforts as part of the integrated project delivery approach/process;
- cost of innovative wood-based building technology/system and bioproduct;
- installation and verification costs associated with the system, technology, bio-product;
- case studies, replication factsheets, cost analyses;
- post occupancy surveys (i.e., biophilic impact, well-being);
- in-situ testing, instrumentation and monitoring of structure performance associated with the innovative building system and/or technology and bio-based products;
- code analysis and the preparation and detailing of alternative solutions, including feasibility, engineering, and scientific studies;
- costs associated with the validation of the design concept, engineering calculations and analysis, product and system testing, and other demonstrations that may be required to support the approval of the project by Authorities Having Jurisdiction (AHJ);
- virtual design and construction and 3D modeling; and

- GHG emission mitigation documentation, including LCA and Environmental Product Declarations.

Other costs not noted above but directly attributable to the innovative design, approval process, and specific choice and use of materials required for such projects may likewise be considered eligible.

## 2.4 Funding Rules

### 2.4.1 Amount Payable

The maximum amount payable by the GCWood program is up to 50% of a project's eligible costs up to a total of \$1.4 million. The program will provide non-repayable contributions per the following category:

Projects	Maximum percentage of eligible costs	Maximum amount
Schematic design	50%	\$400,000
Innovative building solutions for wood construction and advanced bio-based products	50%	\$1,000,000

### 2.4.2 Stacking Provisions

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

The total Canadian government assistance (federal, provincial/territorial, and municipal) cannot exceed 100% of the total project cost.

### 2.4.3 Eligible Expenditures

For funding under the GCWood program, eligible costs (as listed below) can only be incurred from the date a contribution agreement is executed by both parties. Costs are considered "incurred" when they become owing and due to the goods/service provider.

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

Eligible Expenditures for an approved project must be directly related to the implementation and conduct of the project and may include:

- salaries and benefits of staff;
- professional/consulting/technical services;



- data acquisition and technical equipment/materials;
- technical software and licences;
- travel expenses, including accommodation, meals, and allowances (based on National Joint Council rates) subject to the program's pre-approval;
- expenditures related to demonstration projects, including, but not limited to, permit fees, construction documentation, design, engineering and testing costs, and other related expenditures;
- overhead expenditures, provided they are related to the conduct of the project and can be attributed to it (overhead expenditures may be included in the total project cost to a maximum of 15% of eligible expenditures); and
- GST, PST or HST, net of any tax rebate to which the recipient is entitled.

To help applicants clearly determine eligible project amounts, the following definitions have been provided. Not all eligible costs have been defined below, so applicants can contact the GCWood program with any questions.

**Salaries and Benefits:** Salaries include wages for all personnel with direct involvement in the project, such as engineers, construction staff and technical advisers. All eligible personnel must be employees on the proponent's payroll. Payments such as shares, stock, stock options, etc., are not eligible. The amount invoiced shall be actual gross pay for the work performed and shall include no markup for profit, selling, administration, or financing.

The eligible payroll cost is the employee's gross pay (normal periodic remuneration before deductions). Normal periodic remuneration rates are the regular pay rates for the period excluding premiums paid for overtime or shift work. The payroll rate does not include any reimbursement or benefit conferred in lieu of salaries or wages. When hourly rates are being charged for salaried personnel, the hourly rates shall be the periodic remuneration (annual, monthly, weekly, etc.) divided by the total paid hours in the period, including holidays, vacation and paid sick days.

Labour claims must be supported by suitable documentation, such as time sheets and records, and be held for verification at the time of audits. Management personnel are required to maintain appropriate records of the time devoted to the project.

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, Quebec Pension Plan and employment insurance, employee benefits (such as health plan and insurance, workers' compensation, sick leave and vacation), and any other employer paid payroll-related expenses. Those items with no relationship to the project or that have been charged on an indirect basis are non-eligible. The determination of the fringe benefit amount shall be in accordance with Generally Accepted Accounting Principles (GAAP). In general, the fringe benefit rate provided in the project estimate shall be computed once during the life of the project and agreed on prior to the signing of the agreement. If retroactive adjustments are made, they must be indicated on claims for progress payments for NRCan approval.

**Professional, Technical and Consulting Services:** Professional services are defined as costs

for the purchase of additional support required for the completion of the project. These costs can cover the following types of services: scientific and technical activities; project management; contracting; engineering; construction; installation, testing and commissioning of equipment; data collection; and logistics. The amount eligible for a sub-contractor or a consultant shall be the actual contract amount.

**Travel, Accommodation, and Meals Costs:** Reasonable travel and accommodation costs will be reimbursed for activities directly related to the realization of the project. Any travel and its related costs must be pre-approved by the program before it occurs. Unless stated otherwise in the contribution agreement between NRCan and the recipient, National Joint Council rates (<https://www.njc-cnm.gc.ca/s3/en>) that are in effect at the time of signing the contribution agreement shall be used in reimbursing such costs.

**Ineligible expenditures:\***

- costs related to the applicant's office equipment and office rental;
- professional fees of accountants, notaries, and lawyers, (except those related to the taking of patents and their verification by a third party);
- land purchase and related costs (e.g., professional fees for the notary public, zoning changes, brokerage, surveyor and publication fees, transfer fees for the purchase of land, easements or rights-of-way, and other costs related to the acquisition of land);
- loss of profits, loss of production, or other losses caused by activities related to the realization of the project;
- the cost of building materials other than those related to testing and the innovation of the project;
- in-kind\*;
- ongoing operating costs (e.g., electricity consumption, operation, maintenance, networking fees, and subscription fees); and
- costs incurred outside the Eligible Expenditure Period, including those for preparing this application.

\*Ineligible and in-kind contributions from the proponent and its partners may count toward the total project costs. If you choose to include in-kind support as part of the total project cost, it must be verifiable and directly in support of the project.

### 3. APPLICATION PROCESS

The GCWood Demonstration Stream project solicitation process is broken down into two phases:

1. EOI phase - open to all eligible applicants
2. FPP phase - open to invited applicants only

Applicants are advised to consult the [GCWood webpage](#) for details on key dates related to the intake process. Submission of an EOI or FPP does not guarantee applicants will receive funding

under the program. Any approvals under this process will be conditional upon the negotiation and 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 GCWood program to make a financial contribution to any project.**

### **3.1 Expression of Interest (EOI) Phase**

The EOI process is intended for two main purposes:

1. To assess project alignment with all program eligibility criteria.
2. As a means for the GCWood program to provide basic feedback to applicants on eligibility prior to the FPP phase.

To apply for funding, applicants must complete and submit an EOI via NRCan's [Online Submission Portal](#) within the application intake windows. The EOI will also be made available on the GCWood website for download to allow applicants to review questions and formulate responses prior to accessing the online portal.

EOIs will be reviewed by the GCWood program to ensure projects meet all eligibility criteria as demonstrated through alignment with:

- program timing (i.e., the project will be completed within the program Duration as described in *Section 2.2*);
- the eligible recipient definition (*Section 2.3.1*);
- the eligible project requirements (*Section 2.3.2*);
- the eligible activities (*Section 2.3.3*);
- the mandatory criteria (*Section 4.1*).

Applicants will be notified of the assessment outcome with three possible results:

- The project will be invited to the FPP phase where strong program alignment is demonstrated.
- The project will be declined from further consideration if it fails to demonstrate program eligibility.
- Where alignment with program objectives remains unclear, projects may be asked to provide additional information OR where there is an oversubscription from a particular region, building occupancy, or building type, applicants may be asked to reapply in a future intake window pending funding availability.

Applicants are advised to consult the program website for details on key dates related to the intake process. However, please note that the final EOI intake window will close on June 30, 2024. Any submissions received after this date will not be eligible for funding under the current iteration of the GCWood program.

No modifications to submitted EOIs will be accepted after the closing date and time, unless specifically requested by the GCWood Program.

### 3.2 Full Project Proposal (FPP) Phase

**The FPP phase is by invitation only. Projects that are not successful in the EOI phase will not be invited to submit an FPP. FPPs must be consistent in overall scope to the successful EOI and accept that minor changes to project tasks and timing may occur.**

Applicants who are invited to the FPP phase will be notified by the GCWood program via email and will receive information on the FPP timelines and submission requirements.

The FPP will be used by the program as the basis to select projects for funding. Projects will be evaluated based on mandatory and rated criteria (see details in *Section 4 – Evaluation Process*) and shortlisted based on recommendations from an interdisciplinary evaluation panel. Shortlisted projects will move on to the due diligence step as outlined in *Section 5 – Due Diligence Assessment*.

Once an FPP is submitted, the GCWood program reserves the right to share the information provided by applicants in the sections that are clearly marked for public disclosure. All other information will be considered confidential. The GCWood program aims to safeguard the confidential information provided as part of the application process. Please see *Section 6.6 – Confidentiality and Security of Information* for more information.

As part of the FPP, applicants must submit the following information through NRCan’s Online Submission Portal.

<b>1) FPP form</b>	The FPP form must be completed in full through NRCan’s Online Submission Portal.
<b>2) Project schedule (Gantt chart or equivalent)</b>	The project schedule should identify project milestones and deliverables, go/no-go decision points and major milestones that form the critical path (such as environmental or construction permits, or procurement lead times for critical equipment).
<b>3) Permits (and zoning, if applicable)</b>	For any permit or (re-)zoning request identified in <i>Section 9. Project Status</i> of the application form, you must include it to confirm its status (e.g., submitted, approved)
<b>4) Site layout</b>	This includes an overview of the proposed new building or how the project will tie into an existing building. Provide photos to demonstrate project site readiness.

The following documents are not mandatory but should be considered for inclusion if applicable for the proposed project.

<b>5) Results from studies or testing</b>	Applicants should include any studies or testing results that validate the proposed technology, system, or bio-based product. Third-party validated results, if available, should be included with the application.
<b>6) Project renderings and construction documents</b>	If available, applicants should include project renderings and construction documents with their application.
<b>7) Business plan</b>	A complete and credible business plan that includes financial indicators, financial forecasting, the applicant's goals, the problems and solutions the project proposal aims to address, potential market size, the firm's understanding of the market and market risks, and other items relevant to the project.
<b>8) Organizational chart</b>	Applicants should include an organizational chart showing their corporate structure with ownership information.
<b>9) Letters of support</b>	Any letters that confirm the validity of the project should be included in the application. This includes, but is not limited to, partnership agreements (including confirmation of funding), confirmation of community support and letters that support the technical viability of the project.
<b>10) Class 'D' estimate</b>	Applicants should include a class 'D' cost analysis with the application.

Any other relevant documents that applicants wish to include in their submission that are not listed above will require justification for inclusion and must be referenced within the application form.

### 3.3 Summary of Application Process

PHASE 1 – EXPRESSION OF INTEREST (EOI): Open to all applicants

#### 1. REVIEW THE APPLICANT GUIDEBOOK

Ensure project alignment with all GCWood eligibility criteria

#### 2. COMPLETE AND SUBMIT AN EOI

Complete EOI and submit via NRCan's Online Submission Portal

#### 3. EOI EVALUATION

Projects evaluated for alignment with GCWood eligibility criteria

#### 4. EOI RESULTS

Notification of EOI results with successful applicants invited to FPP phase

**PHASE 2 – FULL PROJECT PROPOSAL (FPP): Invited applicants only****5. REVIEW THE APPLICANT  
GUIDEBOOK AND FPP FORM**

Applicants will receive the application form directly from the program

**6. COMPLETE AND SUBMIT FPP**

Complete FPP form including supporting documentation and submit via NRCan's Online Submission Portal

**7. FPP EVALUATION**

Proposal review by interdisciplinary panel of experts

**8. PROJECT SELECTION**

Notification of FPP results. Shortlisted projects move to the due diligence phase

## 4. EVALUATION PROCESS

### 4.1 Mandatory Criteria

All projects must meet the mandatory criteria to proceed to the next phase of assessment and be eligible for funding. The responsibility lies with the applicant to demonstrate that the proposed project clearly meets each mandatory criterion. The application must be complete and provide sufficient information for a proper evaluation. Failure to clearly demonstrate that the project meets each mandatory criterion may result in the project being eliminated from further consideration in this application process.

The mandatory criteria are:

- The application must be complete and/or provide enough information for a proper evaluation.
- The application must be submitted by an Eligible Applicant (see *Section 2.3.1*).
- The proposed project must fall within the Eligible Projects categories (see *Section 2.3.2*).
- The proposed project must support an Eligible Activity (see *Section 2.3.3*).
- The costs outlined in the application must be Eligible Costs (see *Section 2.4.3*).
- The proposed project must be located in Canada.

#### **Eligible Applicants:**

- for-profit and not-for-profit organizations validly incorporated or registered in Canada;
- Canadian academic institutions;
- Indigenous organizations or groups; and
- provincial, territorial, regional, and municipal governments and their departments and agencies where applicable.

**Eligible Projects:** The Demonstration Stream is open to projects that advance the increased use of wood as a low carbon building material. More specifically, the GCWood program will fund eligible design, approval, and construction activities associated with construction projects that incorporate one or more of the following elements:

- schematic design (e.g., schematic and engineering design, engineering feasibility studies, preliminary costing, LCA studies, related R&D, etc.);
- innovative building solutions for wood construction (e.g., innovative seismic resisting systems, such as hold-down and self centering devices, braced frames and post-tensioning systems, innovative connection systems, modular construction using wood, DfD/A, retrofits using wood, etc.); and
- use of advanced bio-based products (e.g., wood-based cladding, wood fibre insulation, etc.).

**Advancement of Wood Use:** The proposed project must constitute an advancement of wood use as a low-carbon building material. It must also demonstrate the degree of building innovation and novelty through the use of new innovative wood or biobased products, building technologies and systems, and advanced design concepts. Applicants need to indicate which category (or categories)



they are applying for and provide a description of the innovation associated with the category (or categories). Preference may be given to construction projects that will apply innovation in more than one category. It may also be given to construction projects with innovative technologies, systems or biobased products that will likely be replicated in future construction projects. For all proposed innovative solutions/technologies, applicants are strongly encouraged to reference and/or attach any appropriate technical reports or publications that provide information about the likelihood of successful adoption.

**Location:** The project site is located in Canada and ownership of, or long-term access to, the land is clearly demonstrated.

## 4.2 Rated Criteria

Projects selected for further consideration will advance to Phase 2 of the application process and will then be evaluated against the program’s rated criteria by experts, as outlined below.

**Innovation:** Degree of building innovation/technology and novelty, as demonstrated using new innovative wood or bio-based products, systems, designs, and construction process and methodology. For all proposed innovative solutions/technologies, applicants are strongly encouraged to reference and/or attach any appropriate technical reports or publications that provide information about the likelihood of successful adoption.

This criterion requires applicants to demonstrate why the project should be considered “truly innovative” for the type of project you are proposing. Preference will be given to applicants who propose the most innovative design concepts involving prefabrication/modular construction, design for disassembly/adaptability, and retrofits. Preference will also be given to projects demonstrating a higher level of Canadian innovation.

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

This criterion requires applicants to demonstrate a clear and complete project description, a sound building solution/design, and a detailed work plan. Preference will be given to projects that can provide a robust design and engineering package, possess risk mitigation strategies, and have a solid understanding of the research and testing that may be required to proceed to the detailed design, approval, and construction stages.

**Cost Effectiveness and Replicability:** Degree to which the project clearly demonstrates a cost-effective project design and implementation plan which can effectively be replicated elsewhere in Canada.

This criterion requires applicants to demonstrate a cost-competitive project design and/or implementation plan. Applicants should indicate how the project elements are easily replicable. Preference will be given to applicants that provide at least a Class ‘D’ estimate.

**GHG Mitigation:** Degree to which projects can demonstrate how the proposed innovative design concept, advanced building technology, or use of bio-based products will reduce or mitigate GHG emissions compared to a similar construction project built with traditional materials and systems.

Projects must also provide wood volumes with the methodology used to arrive at an initial estimate of carbon dioxide equivalent (CO<sub>2e</sub>) savings, and how the GHG mitigation estimate was calculated. Preference will be given to construction projects that can demonstrate additional “green” performance measures, such as energy efficiency or targeting environmental certification.

**Business Plan:** Degree to which the project clearly demonstrates strong financial analysis, sound budgeting, and a credible and complete business plan.

This criterion requires applicants to demonstrate a complete, viable, and credible business plan, including financial budget, funding sources, permitting timelines, ability to mitigate risk, knowledge of construction conditions, clear performance measures and tracking, and the project team’s experience in completing projects on budget and schedule.

**Timing / Project Readiness:** Degree to which the project is ready to undertake schematic design or deploy an innovative building solution or advanced bio-based product.

Preference will be given to applicants with the most credible and defensible project schedule information that can be substantially completed by March 2026. Priority will also be given to projects that can be completed in a near-term horizon (i.e., before March 2025).

**Value for Investment:** The GCWood program will provide up to 50% of total a project’s eligible costs, up to the maximum of \$400K for the schematic design stage and up to \$1M for systems, technologies, and bio-products. Preference will be given to projects where requested GCWood funding is well leveraged and/or in-kind contributions are demonstrated. Projects can receive other sources of funding, provided total government assistance doesn’t exceed the limits outlined in Stacking Provisions section.

This criterion requires applicants to demonstrate good value for money for government investment by declaring funding from other sources to show that GCWood’s funding is well-leveraged and the level of funding requested is appropriate and sufficient to complete the proposed project(s) and related activities.

**Experience and Expertise:** Degree to which the project clearly demonstrates the design and construction teams’ experience and capability of delivering innovative wood infrastructure, as well as access to, and/or support from, key stakeholders and partners (i.e., jurisdiction authorities, consultants, suppliers).

This criterion requires applicants to demonstrate the design and construction teams’ experience in wood construction and commitment to the project. It also requires a list of project partners and an outline of the nature of the partnership.

**Benefits to Canadians:** Applicants are asked to provide information on the project's environmental and socio-economic benefits (e.g., biophilia, well-being, jobs created, energy efficiency), advantages for local communities, and strategic contributions to the transformation of the Canadian forest sector.

This criterion requires applicants to describe direct benefits resulting from the project, as well as spillover benefits resulting from the project.

## 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.

Shortlisted applicants will be asked to provide key documentation, including but not limited to:

- financial information that will be used to support a project financial risk assessment;
- summary of permits/approvals required in relation to the construction project;
- detailed work plan, communications plan, and key milestones;
- risk mitigation plans and/or strategies; and
- additional supporting materials to demonstrate the proponent's commitment to the project.

The GCWood program will contact applicants advancing to the shortlist of projects to provide specific instructions and templates relating to due diligence requirements.

**Failure to submit any information supporting the due diligence assessment in a timely manner may result in elimination from the application process.**

The results of the financial and technical due diligence will be used as the final decision point for financial support of projects. The GCWood program will contact applicants once the final funding decisions have been made. Program officials will then work with successful applicants to negotiate contribution agreements.

## 6. ADDITIONAL INFORMATION FOR RECIPIENTS

The following information is only relevant to applicants who are selected to receive GCWood program funding.

## 6.1 Contribution Agreement

Following a conditional project approval, a contribution agreement will be negotiated and 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 both parties, no obligation exists on the part of Natural Resources Canada to contribute funding to a project.

The GCWood 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. However, recipients can expect the following:

1. Quarterly reports during the project execution stage, including:
  - financial information for the project including cash flows, overhead descriptions, a breakdown of incurred costs and invoices; and
  - a progress report to describe activities undertaken to meet project objectives.
2. A final report once the project activities have been completed, including:
  - a financial component to describe how GCWood funds have been spent;
  - a narrative report that describes project activities, benefits, and the achievement of key performance indicators (key information collected will be made publicly available); and
  - a knowledge dissemination plan to share non-proprietary results of the project with the Canadian construction and/or forest sector.
3. Other reporting requirements:
  - an LCA report for the project that will be made publicly available; and
  - data from monitoring building or advanced bio-product performance (if applicable).

## 6.2 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 the following year. Details will be provided within each contribution agreement regarding the documentation that is required when submitting a claim for payment. The contribution agreement will also stipulate the start date and end date of eligible costs for each project.

Payments will be made based on the receipt and approval of financial reports signed by the Recipient's Chief Financial Officer (or duly authorized officer) outlining actual eligible costs incurred for the project. Payments will be made based on measurable, pre-defined project

milestones as outlined in the contribution agreement, as well as upon the receipt of the documentation as defined in the contribution agreement.

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

To ensure appropriate project oversight, a reasonable holdback based on the risk of the project may be applied to the advance and progress payments and released once conditions of the contribution agreement have been met to the satisfaction of the Minister.

Final payment will not be made until all agreed-upon project activities have been completed by a recipient and are deemed acceptable to NRCan.

### **6.3 Impact Assessment Considerations**

As per the *Impact Assessment Act*, NRCan is required to assess whether construction projects carried out, in whole or in part, on federal lands are likely to cause significant adverse environmental effects. At the FPP phase, applicants will be asked to identify if the project will be carried out in whole or in part on federal lands. If so, an impact assessment may be required during due diligence for successful applicants.

### **6.4 Duty to Consult**

NRCan has a legal duty to consult with Indigenous groups when a contemplated Crown conduct, such as the provision of funding, may have adverse impacts on existing or potential Indigenous or treaty rights. Federal departments and agencies are responsible for understanding how and when an activity could have an adverse impact on Indigenous or treaty rights, and consultation should occur prior to the federal government taking any action.

Applicants will be required to report at the FPP phase if they have already conducted consultation or engagement activities in relation to the project proposal or as part of their ongoing operations or corporate commitments.

### **6.5 Information Sharing Permissions**

During the application process, applicants will be asked whether they provide permission for NRCan to share their application with other relevant funding organizations. For construction projects that may not obtain funding under the program, this will allow the GCWood program to provide the opportunity to raise awareness of the project with other government programs or funding providers.

### **6.6 Confidentiality and Security of Information**

The *Access to Information Act*, (the “Act”) governs the protection and disclosure of information,

confidential or otherwise, supplied to a federal government institution.

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

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

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

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

## **6.7 Tax Treatment**

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

## **6.8 Audit Rights**

Funding recipients will be required to:

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

## **6.9 Intellectual Property**

All intellectual property that arises in the course of the project shall vest with the recipient, or be licensed to the recipient in the event that a subcontractor retains title to such Intellectual Property. However, in situations where the department wishes to use the intellectual property produced by a

recipient, the department will negotiate a royalty-free, perpetual, and non-exclusive licence. This licence will be used to produce, reproduce, or publish the original work or an adaptation (in any language) for use within the federal public service and for non-commercial distribution. This includes the evaluation research design, data collection instruments, and all interim and final evaluation reports.

As part of the demonstration component of GCWood, recipients will be required to share any research and development and studies with industry (by way of an unrestricted use creative commons licence) that are developed under the projects. This will ensure that the benefits of the projects accrue broadly to the forest industry.

## 7. TERMINOLOGY

<b>Applications</b>	Project proposals submitted by applicants in response to an EOI or full application process.
<b>Carbon Accounting Analysis</b>	Assessment of greenhouse gas emissions to quantify the greenhouse gases produced directly and indirectly from the project activities.
<b>Class ‘D’ estimate</b>	A class ‘D’ estimate provides an indication of the cost of the project and is based on historical cost data for similar work. This estimate provides an indication of the order of magnitude of the project cost and estimated completion date. The expected accuracy is within 25%.
<b>Contribution Agreement</b>	A legal document that outlines the amount of funding Natural Resources Canada (NRCan) will provide the organization for eligible project costs, as well as the recipient and department’s responsibilities and obligations.
<b>Dissemination</b>	The sharing of findings and lessons learned.
<b>Due Diligence Process</b>	A process where short-listed applicants undergo an evaluation of the project’s finances, technical risk, and team risk, as well as legal and regulatory considerations.
<b>Eligible Activities</b>	The activities eligible for funding through the program as defined in Section 2.3.3.
<b>Eligible Applicant</b>	The list of recipients eligible for funding under the program as defined in Section 2.3.1.
<b>EOI</b>	Abbreviation for Expressions of Interest. It is the process by which the program selects projects for full funding applications.
<b>EOI Submission</b>	An application form submitted by the applicant via the NRCan online portal to respond to the EOI.
<b>Environmental Product Declaration</b>	An Environmental Product Declaration (EPD) transparently reports objective, comparable and third-party verified data about products and services’ environmental performances from a lifecycle perspective associated with a wood-based product.

<b>GCWood (“the program”)</b>	Abbreviation for Green Construction through Wood program.
<b>GHG</b>	An abbreviation for greenhouse gas.
<b>Life Cycle Analysis</b>	A method to evaluate the environmental impact of a product (or in this case, a building) through its lifecycle. This includes the extraction and processing of the raw materials, the manufacturing, distribution, use, recycling, and the final disposal.
<b>Mass Timber</b>	Solid, structural load-bearing components, such as columns, beams, and panels that are typically manufactured off-site by laminating multiple layers of wood together with glue, wood dowels, or nails/screws and are engineered for high strength and stiffness. Examples of mass timber include cross laminated timber (CLT), dowel laminated timber (DLT), and nail laminated timber (NLT), among others.
<b>Must or Mandatory</b>	A requirement that must be met for a proposal to receive consideration.
<b>NRCan</b>	Abbreviation for Natural Resources Canada.
<b>Partner</b>	An organization that is directly involved, has an active/engaged role, and a vested interest in the success of the proposed project.
<b>Preferred or Priority</b>	This means a requirement having a significant degree of importance to the objectives of the proposal evaluation.
<b>Project Status</b>	Indicates the stage of the construction project at the time of application.
<b>Project Start Date</b>	When the contribution agreement is counter-signed by NRCan.
<b>Project End Date</b>	When the design is developed or when the technology/system/design concept/bio-product is deployed.
<b>Rated Criteria</b>	Point-rated evaluation criteria to determine the relative technical merit of each proposal and the best overall value to the Crown.
<b>Recipient</b>	A successful applicant that is awarded funding through the program.
<b>Retrofit</b>	Modifying or adding on to an existing building using wood-based products and/or systems. This can include, but is not limited to, the use of prefabricated wood assemblies for the building envelope or an addition, and the use of bio-based materials (e.g., wood fibre insulation, wood cladding, etc.)

## 8. PROGRAM CONTACT

Applicants are encouraged to consult the GCWood program’s [webpage](#) for updates regarding the timing and availability of funding opportunities. Enquiries can be sent to the GCWood team at [gcwood-cvbois@nrcan-rncan.gc.ca](mailto:gcwood-cvbois@nrcan-rncan.gc.ca).