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Networks of Centres
of Excellence

Réseaux de centres
d'excellence

INDUSTRIAL RESEARCH & DEVELOPMENT INTERNSHIP (IRDI)

PROGRAM GUIDE

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Government of Canada
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Social Sciences and Humanities Research Council of Canada

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Overview of the IRDI Program

The Industrial Research and Development Internship (IRDI) program is a federal mechanism whereby, through a competitive review process, successful recipient organizations are funded to take on the responsibility of matching graduate students and post-doctoral fellows with host organizations for industrial research internships. The interns will work on research projects jointly developed by the host organization and their academic supervisor.

The IRDI program is a federal program administered by the Networks of Centres of Excellence (NCE) Secretariat and overseen by the NCE Steering Committee. The NCE Steering Committee is composed of the deputy ministers of Industry Canada and Health Canada, the presidents of the three granting agencies (the Canadian Institutes of Health Research, the Natural Sciences and Engineering Research Council, and the Social Sciences and Humanities Research Council), and the President of the Canada Foundation for Innovation (acting as an observer).

The day-to-day administration of the IRDI program is provided by the NCE Secretariat, which reports directly to the NCE Steering Committee.

Program Goal

The goal of the IRDI program is to introduce graduate students and post-doctoral fellows to practical business problems and provide them with the opportunity to apply their scientific and technical expertise to address the needs of participating corporations, as well as to create a vehicle that will facilitate increased private investments in R&D. The IRDI program is open to all research areas.

Expected Results and Outcomes

The IRDI program seeks to create additional opportunities for skilled graduates by matching them with organizations that can make use of their talents. The overall result of this program will be an increase in the science and technology activities of corporations, with a corresponding increase in knowledge-based jobs for trained graduates. Specific outcomes of this program include:

Immediate outcomes (during award period)

- S&T graduates exposed to real-world business problems
- private sector exposure to S&T benefits
- new S&T solutions developed for business needs
- stronger linkages between business and academia
- more graduates with research and user-sector skills and know-how
- enhanced use of S&T graduates by the private sector
- new positions for S&T graduates

Intermediate/long-term outcomes

- increased private sector investments in S&T
- longer-term S&T positions created by businesses, i.e., more job opportunities in Canada for S&T graduates
- a change in business culture that will lead to increased and sustainable business S&T activities, and long-term academia-private sector collaborations

Delivery Requirements

To ensure alignment with the goals of the IRDI program, recipient organizations must apply the following delivery requirements:

Eligible Recipient Organizations

Recipient organizations eligible to receive funding to deliver an IRDI initiative are not-for-profit corporations, including:

- existing Networks of Centres of Excellence.
- non-governmental organizations (NGO) (that provide a facilitating and catalytic role among industry and business, academia, and government).
- Universities, and consortia of firms and universities.

As a condition of eligibility, recipient organizations applying for the delivery of the IRDI program shall have an established and independent board of directors responsible for the strategic orientation of the corporation and approval of its annual financial reports and audits. *Independent* implies that the board of directors is autonomous in the selection of directors and corporate members.

Recipient organizations must have adequate financial and data management controls in place to properly manage IRDI funds.

Recipient organizations must have the capacity to deliver a minimum of 100 internships per year.

In order to offer coherent services to students and firms and avoid overlap and duplication, recipient organizations must coordinate their activities with all other organizations delivering similar types of programs in Canada, and in particular, with the granting agencies and other federal internship programs. Collaborations are encouraged.

Prior to signing the funding agreement, successful applicants must demonstrate evidence of federal or provincial incorporation in Canada. Federal, provincial and municipal government departments or agencies and crown corporations are not eligible to apply to the IRDI program.

Collaboration with Other Recipient Organizations

An application to deliver an IRDI initiative may be submitted by one or a group of organizations. In the latter case, a lead organization must be identified as the main contact for program delivery and annual reporting purposes.

Successful recipient organizations will be expected to collaborate to jointly deliver the IRDI program and avoid overlap and duplication. These organizations will need to adapt their business models to maximize efficiency based on the strengths and track record of their organizations. This could result in a discipline or regional focus.

Intern Recruitment and Eligibility

Eligible interns are full-time graduate students enrolled in a Canadian participating institution, or post-doctoral fellows working in a Canadian participating institution. The institution must be eligible to receive and manage funds under the guidelines of the granting agencies in any area of research, including natural sciences, engineering, economics, social sciences, health, environment and ethics, provided that those skills are sought by the participating host organization to support its innovation process. Interns are paid by stipends through the financial systems of their respective institutions.

A maximum of two IRDI internships are allowed for any individual over the course of their entire academic and post academic career. In exceptional circumstances, 5% of total annual internships are allowed to exceed this limit.

A minimum of 30 percent of the annual interns enlisted by a recipient organization must be new interns who have not previously received a stipend from the IRDI program. In exceptional circumstances, the IRDI program may be extended to part-time students. Specific needs pertaining to the type of interns and the

maximum number of internships must be discussed in the proposal.

Eligible Participating Institutions

Eligible participating institutions are Canadian universities with a mandate for research and their affiliated institutions, including hospitals and research institutes, that are eligible to receive funds from any of the federal granting agencies, and who enrol or otherwise give academic status to eligible interns.

Eligible Host Organizations

Host Organizations are corporations either for-profit or not-for-profit, operating in Canada. For-profit corporations must derive more than 50 percent of their revenues from non-governmental sources and derive their revenues from the sale of products and/or services. Not-for-profit corporations will typically include economic development organizations, industry associations, social welfare or charitable organizations focused on increasing employment or other economic activity, and health organizations. Host Organizations do not include government departments and agencies, Aboriginal governments or hospitals.

Eligibility of not-for-profit corporations will be based on the demonstrable economic and productivity orientation of the proposed project(s), determined by the Recipient Organization through a peer review process.

Internship Delivery

An internship is defined as a period of four to six months during which an intern will work full-time on a research project jointly developed by the host organization, the academic supervisor and the intern. At least 50 percent of the intern's time must be spent at the host organization in Canada.

Internships will be scheduled in such a way that they do not delay or interfere with the students' ability to complete their degree requirements.

It is expected that recipient organizations will collectively deliver approximately 1000 internships per year, including a total of 300 new interns, representing 30 percent of the total internships delivered.

Engagement of Host Organizations and Canadian Participating Institutions

Each internship represents a collaboration between Canadian participating institutions and host organizations. Recipient organizations must work diligently to develop new collaborations and facilitate the delivery of internships. It is expected that annually, at least 25 percent of the internships be placed with "new" host organizations, i.e., organizations that have not benefited from the IRDI program within the last two years, totalling collectively a minimum of 250 new organizations. In the case of large corporations, major branches in different locations can be counted as separate host organizations for the purposes of this target.

No less than 75 percent of the number of internships must be hosted by a for-profit private sector corporation.

IRDI Evaluation Criteria and Review Process

Evaluation Criteria

To ensure that the program objectives are met, proposals are assessed against the two overarching evaluation criteria outlined below.

Benefits to Canada

- Likelihood for greater and more productive involvement of graduates in research and innovation conducted by the private sector.

- The extent to which there will be an increased number of graduates with research and business skills and know-how.
- The potential for strengthened collaboration between academia and industry, beyond the term of the internship.

Strength of the business plan

- Track record of the applicant organization in delivering similar programs
- Evidence of innovative and successful academia-private sector partnerships (between the organization managing the internships and the proposed private sector partner(s))
- Strong delivery model that should include the following:
 - robust recruitment strategy for private sector hosts and interns;
 - efficient process for the management of the initiative;
 - experienced professionals identified to ensure strong management and leadership;
 - description of an effective match-making process;
 - well-articulated internships selection process;
 - process to ensure the engagement of private sector partners;
 - plan to collaborate with other organizations and granting agencies to offer a coherent portfolio of services and programs;
 - description of a governance structure that is accountable for the progress and monitoring of the initiative;
 - well-defined process for handling intellectual property and other policies that respects the policies of the universities which the interns are affiliated with; and
 - evidence of a sound financial management and accounting framework consistent with generally accepted accounting principles.
- Clear and attainable objectives and milestones

- Cost-effective management of the internship initiative
- Ability to attract new private sector funding partners
- Demonstrated readiness to collaborate with other potential IRDI delivery organizations.

IRDI Proposals Review and Decision-making Process

Proposals undergo a review by an interdisciplinary selection committee established by the NCE Secretariat, composed of Canadian and international experts. The Selection Committee evaluates proposals against the program's evaluation criteria, recommends to the NCE Steering Committee priority proposals for approval and produces in-depth written assessments of the evaluated proposals.

Expression of Interest

An expression-of-interest letter is submitted electronically by the applicants to the NCE Secretariat. This letter should be no longer than one page and include the following:

- title of the IRDI Initiative
- name of the applicant organization
- total funding requested
- contact information
- estimated number of internships to be delivered per year
- provinces and territories, as well as disciplines and sectors, where internships are proposed
- if applicants comprise a group, existing and potential members.

This expression-of-interest letter is not used for review purposes but rather to aid the recruitment of the Selection Committee members and for administrative purposes.

Applications

Application forms are made available on the NCE Web site. The application form is in Excel

format and contains a series of tabs that correspond to the required sections of the application.

An Application consists of:

- general information and covering letter;
- executive summary of the proposed initiative;
- a detailed plan of the proposed initiative;
- budget justification;
- accompanying letters of support; and
- a complete list of acronyms used in the application.

The onus is on the recipient organization to provide sufficient information to enable the Selection Committee to evaluate the relationship to other sources of support (held or applied for) and to recommend the appropriate funding level. Failure to provide adequate information may lead to a recommendation for reduced or no funding.

Reporting Requirements and Mid-term Review

Annual Reports

Recipient organizations will be required to provide annual reports to the NCE Steering Committee that will include :

- A statistical report with information such as type, numbers and location of intern placements and host organizations, type, duration and disciplines of internships and information on the nature of the partnerships
- A questionnaire report summarizing results and impacts for the year, including methodology, templates and analysis of annual satisfaction surveys of all parties involved (i.e. interns, academic supervisors, host organization supervisors)
- A signed statement from the Board updating the representations, warranties and covenants of the recipient organization that

- are contained in the signed funding agreement; and
- A financial report.

The satisfaction surveys are developed by the recipient organization(s) in order to provide information on the overall satisfaction of the IRDI Internship participants (intern, host organization, academic supervisor). A copy of the satisfaction surveys template must be provided annually to the NCE Secretariat. Recipient Organizations are expected to work collaboratively in harmonizing their satisfaction surveys in order for the NCE Steering Committee to properly evaluate the overall satisfaction of the IRDI program in Canada by all parties involved.

Details of reporting requirements and templates are available on the NCE Web site and will be distributed by the NCE Secretariat to the recipient organizations on an annual basis.

Final Report

Recipient organizations will be required to:

- provide a final performance report summarizing the results and value added of the IRDI program to the recipient organization and to Canada within six months of the end of the initiative's term including an overall analysis of the satisfaction surveys; and
- participate in a follow-up survey that will allow for evaluating the long-term benefits and impacts of the IRDI initiative.

Details of the final report requirements will be provided by the NCE Secretariat to the recipient organizations before the end of the funding period.

Mid-term Review

The progress of each recipient organization will be monitored on an on-going basis with an in-depth review at the mid-point of the funding period. Each recipient organization will be

required to prepare a detailed report on the first two years of activity and any updates required to the business plan for the remaining years. An in-depth evaluation of the recipient organization's performance will be conducted by the same Selection Committee or a subset of the Selection Committee that made the initial funding recommendations to the NCE Steering Committee.

The mid-term review could result in continued funding, continued funding on a conditional basis, or the phasing out of a recipient organization before the end of the current award.

Management and Governance

Each recipient organization must have an administrative structure capable of managing the IRDI initiative.

Board of Directors

Recipient organizations must have an established board of directors that has the overall responsibility for the governance, management, direction and financial accountability of the IRDI initiative, including the approval of the reports submitted to the NCE Secretariat and the annual audit report. The Board of Directors shall act in accordance with this Program Guide and the Funding Agreement. The names and affiliations of the members of the Board of Directors are considered public information.

The membership of the Board must reflect the various stakeholders involved in the initiative. The Board of Directors should consist of no fewer than 10 members and should include members who are not directly affiliated with the recipient organization. A majority of the board members shall be from the industrial sector and/or the recipient organization's user community; while a third of the Board shall be composed of independent members. An NCE staff member will participate with observer status on the Board of Directors of the recipient

organization and attend meetings of the Board and its committees.

The recipient organization must advise the NCE Secretariat of any changes in membership of the Board that occur during the funding period.

IRDI Initiative Director

The IRDI Initiative Director reports to the Board of Directors and is responsible for providing leadership and strategic direction to the recipient organization. Other duties may include but are not limited to: providing progress and annual reports as approved by the Board of Directors to the NCE Secretariat; acting on behalf of the organization with the NCE Secretariat; and promoting the program's objectives and activities to all relevant stakeholders, including the general public.

Communications

Competent management of communications is critical to the success of the recipient organizations and the IRDI program. Effective internal communications are also vital.

The recipient organization activities, results and accomplishments should be conveyed to external audiences, including potential participants from all sectors, public policy makers, the media and the general public. Consistency in messaging is essential, and therefore a qualified individual in the organization managing the IRDI initiative should be responsible for coordinating all communications efforts. The recipient organization must develop a communications plan, with a set of comprehensive objectives and activities designed to enhance interest in the IRDI program and its activities and to promote the IRDI program to the broad spectrum of sectors that may benefit from it.

The recipient organization is encouraged to produce its communiqués and publications in both official languages.

Communication activities and messages must be consistent with and complementary to the IRDI program. Acknowledgement of federal government support of the initiative through the Networks of Centres of Excellence is required in all recipient organization communications.

The recipient organization is expected to work closely with the NCE Communications Manager, and other recipient organizations when appropriate, such as for major announcements involving representatives of the federal government.

The recipient organization is also expected to collaborate with organizations managing similar types of programs on promoting their programs.

Role of the Recipient Organization

The recipient organization is responsible for:

- providing suitable space to house the administrative centre of the IRDI initiative;
- receiving and distributing funds to participating institutions as approved by the Board of Directors;
- providing accounting and financial reporting for IRDI funds and contributions to the organization from other sources as required by the NCE Secretariat; and
- providing suitable support to assist the IRDI Initiative Director in his or her responsibilities.

Administration

IRDI grants are awarded for specific purposes. IRDI grant recipients are expected to use their grant for the intended purpose and in accordance with the IRDI program and their institution's policies and guidelines. The NCE Steering Committee reserves the right to terminate or suspend a grant that is not being used for its intended purpose or should the recipient organization cease to meet the eligibility criteria. Amounts paid after the expiry of eligibility, or on the basis of fraudulent or inaccurate application, or in error, are subject to recovery action. The NCE Secretariat may

withhold an appropriate amount of the total grant payable to the recipient organization until it is satisfied that the eligibility criteria of the program are being met.

Fraudulent use of IRDI funds will be referred to appropriate legal authorities.

Basis and Timing of Payments

Payments of grant awards to recipient organizations are made through the granting agency as authorized by the NCE Steering Committee, subject to the conditions of the IRDI Funding Agreement.

Funds will be provided to the recipient organization on the basis of a payment schedule, based on anticipated need, prepared by the recipient organization and submitted to the NCE Secretariat.

Environmental review policy

Recipient organizations must pay careful attention to environmental considerations in their decision to fund internships. The organization's Boards of directors shall establish a process for environmental review. Recipient organizations should refer to Appendix D of this Guide for an example of the environmental review process. All internship proposals to be funded shall be reviewed for potential environmental effects.

Requirements for Certain Types of Research

Recipient organizations must ensure that all necessary certifications, permits, licences and other approvals have been obtained by the participating institutions for research that falls within the following categories: research involving human subjects; human pluripotent stem cells; animals; biohazards; infectious agents; radioactive materials; controlled information; Aboriginal people; research in the Canadian territories and research with effects on the environment. For complete details, the granting agency policy entitled "Requirements for Certain Types of Research" can be found at:

http://www.nserc-crsng.gc.ca/NSERC-CRSNG/Politiques-Politiques/certaintypes-certaines_eng.asp .

Funding Agreement

Following the announcement of the funding decision and prior to the release of the first instalment of the award, a funding agreement is signed by representatives of the granting agency and the designated representative of the recipient organization. The funding agreement outlines the terms and conditions for funding under the IRDI program.

Agreements with Partners

Stipend awards should not be paid until signed agreements are in place confirming partnership arrangements, contributions, and allocations of benefits (such as intellectual property) and policy requirements. These agreements should be available to the NCE Secretariat upon request.

The NCE Secretariat and the granting agency makes no claim to ownership of intellectual property from the research it funds.

Use of IRDI Funds

Eligible Expenses

Recipient organizations will follow the rules of this IRDI Program Guide and the rules of the Tri-Agency Financial Administration Guide http://www.nserc-crsng.gc.ca/Professors-Professeurs/FinancialAdminGuide-GuideAdminFinancier/index_eng.asp .

Eligible expenses for the IRDI program that differ from the Tri-Agency Financial Administration Guide are detailed in the table below. For clarification on these and any other eligible expenses, contact the NCE Secretariat.

Eligible Expenses	Ineligible Expenses
<p>Salaries:</p> <p>Salaries and benefits for recipient organization staff in line with guideline practices used by the recipient organisation and subject to the approval of the IRDI Board of Directors and/or the IRDI Initiative Director.</p> <p>Contributions from the IRDI funds towards the total annual remuneration of each recipient organization staff member must not exceed \$120,000 full-time equivalent (excluding benefits). This maximum applies to all positions (including contracts) and shall be pro-rated on the basis of the proportion of time worked relative to the full-time equivalent.</p>	
<p>Stipends to interns:</p> <p>The minimum value of the total internship stipend</p>	

<p>is \$10K for a period of four to six months (no less than four months).</p> <p>The federal contribution may not exceed 50 per cent of the total eligible cost of these activities.</p>	<p>50 percent must be from non-federal sources.</p>
<p>Administration costs:</p> <p>Eligible expenses include the following operating costs, where they are attributable to the specific activities undertaken under the IRDI grant:</p> <ul style="list-style-type: none"> • general administration and project management costs incurred by the recipient organization, including costs associated with intern/internship selection committees. • travel and accommodation costs for interns. • travel for members of the IRDI Board of Directors and committees, as well as business development officers and IRDI personnel. <p>Eligible administrative costs may not exceed 25 percent of the total amount of the IRDI grant held by the recipient organization.</p> <p>The federal contribution may be up to 100 percent of the total eligible administrative costs.</p>	
<p>Communication activities.</p>	
<p>Costs to obtain liability insurance for the members of the Board of Directors and administrators of the IRDI initiative.</p>	
<p>Contracting of services only where necessary to provide services and expertise not available within the recipient organization.</p>	

Stacking Provisions

The maximum level (stacking limit) of total Government assistance (federal, provincial and municipal) for the same eligible expenditures for this program will not exceed 75 percent of their value.

Recipient organizations must provide a statement of other sources of funding with their

application and on a yearly basis. There must be no duplication of funding for the same items. When applicants are supported by multiple sources, the incremental benefits of the IRDI program support must be appropriately explained and justified.

In the event that total government assistance to a recipient organization exceeds the stacking limit, it will be necessary for relevant federal

agencies to adjust their level of assistance so that the stacking limit is not exceeded.

Monitoring and Guidance

The recipient organization's activities are subject to general overview and monitoring by the granting agencies through the NCE Secretariat. The NCE Secretariat may participate in the resolution of governance, financial or administrative issues and may also provide advice and guidance related to the interpretation of IRDI program objectives, rules and guidelines. Assistance may also be provided to coordinate recipient organization activities with those of other stakeholders, recipient organizations or of other government-sponsored initiatives, including disseminating the achievements of recipient organizations.

Major Changes

Prior approval of the NCE Steering Committee is required for any major change endorsed by the Board of Directors of a recipient organization that would affect the general mission of the recipient organization.

Program Evaluation

The NCE Steering Committee is responsible for evaluating the effectiveness of the IRDI program and reporting the results to the Minister of Industry and the Minister of Health every five years. Program evaluation activities, carried out by an independent firm, may involve additional surveys and interviews of partners, interns, individuals and staff. Evaluators will be provided access by the NCE Secretariat to the program related documentation such as applications and annual, mid-term and final reports. Current and former recipient organizations are required to participate in the evaluation of the IRDI program and make information and records available to the program evaluation team upon request.

The Access to Information Act and the Privacy Act

The IRDI program is subject to the federal *Access to Information Act* and the *Privacy Act* (See Appendix C for more details).

Appendix A: Benefit to Canada

1. Working Guidelines

A key IRDI program objective is to advance Canadian economic and social development. Accordingly, every effort must be made to have the results of internships exploited in Canada, for the benefit of Canadians. Benefit to Canada is defined as incremental Canadian economic activity and improved quality of life in Canada. Maximum benefits would be derived from the creation of high-quality jobs in Canada and this should be an important goal of any commercialization activity.

The owners of intellectual property resulting from internships, or the agent acting on their behalf, will consult with relevant stakeholders on issues of commercialization. When selecting a receptor company for the exclusive licence of the commercial rights of intellectual property resulting from internships, the agent/owners of that intellectual property will use reasonable and thorough efforts to maximize benefits to Canada in a national and international context. Due diligence in efforts to maximize benefits to Canada depends in part on the nature of the research results that are being pursued, and on the window of opportunity. The agent/owners of intellectual property resulting from internships should consider the following (non-comprehensive) list of possible benefits to Canada when exercising that due diligence:

- creation of a company in Canada with receptor capacity;
- expansion of an existing company in Canada;
- formation of a new company in Canada
- joint ventures or strategic alliances with a company in Canada;
- co-manufacturing involving a company in Canada;
- cross-licensing or co-development with a company in Canada;
- establishment of a new subsidiary in Canada (R&D, manufacturing, sales, marketing, distribution); and

- development and/or production in Canada by a foreign company (world product mandate).

2. Mechanism for Reporting Due Diligence

Within 30 days of a decision to pursue exploitation by a foreign company, and in advance of finalizing this decision, the agent/owner is required to report the decision to the Board of Directors, and through the Board of Directors, to provide to the NCE Steering Committee the rationale and circumstances leading to the decision. The NCE Steering Committee reserves the right to impose sanctions as it deems appropriate, if the recipient organization fails to comply with these reporting requirements or neglects to perform due diligence.

Appendix B: Conflict of Interest Policy Framework

Interactions between academic researchers and the private sector are an essential feature of the IRDI program. For the objectives of the IRDI program to be achieved, many kinds of interactions among individuals participating in the IRDI initiative must occur. These interactions may lead to gains and benefits to the individuals participating in the IRDI initiative and are desirable and natural outcomes of being involved in the initiative. Such interactions, however, may place individuals participating in the IRDI initiative in a position of potential, apparent or actual conflict of interest.

The responsibility for implementing and managing the Conflict of Interest Policy Framework in order to ensure that the recipient organization's operations and decisions are not biased by conflict of interest, is delegated to the Board of Directors of the recipient organization. The Board of Directors is accountable to the NCE Steering Committee for the effective implementation and management of the Conflict of Interest Policy Framework.

Individuals participating in the IRDI initiative such as members of the Board of Directors and advisory committees are recognized as playing a unique role in the IRDI initiative. They bring an important perspective as a result of their particular knowledge, often as representatives of organizations in the field of interest of the IRDI initiative. Even if they do not directly receive IRDI funds and are not involved in any internships, they are required to disclose any financial interest or position of influence, (as described in Section 2), in any business that is in the same area of interest as the IRDI initiative, other than that of their main employer.

The Conflict of Interest Policy is intended to enable the Board of Directors and individuals to recognize and disclose situations that may be open to questions and to ensure that any apparent or real conflict of interest situation is appropriately resolved. The policy builds upon and is complementary to those of the

organizations that make up the IRDI Board of Directors, the recipient organisations and the host organizations.

1. Definitions

"Administrative Centre" means the central administrative office of the recipient organization.

"Avoidance" means refraining from, or withdrawing from, participation in activities or situations that place an individual participating in the initiative in a potential, apparent or actual conflict of interest relative to his or her initiative duties and responsibilities.

"Board" means the Board of Directors of the recipient organization.

"Conflict of interest" means a situation where, to the detriment or potential detriment of the recipient organisation, an individual is, or may be, in a position to use research knowledge, authority or influence for personal or family gain (financial or other) or to benefit others.

"Disclosure" means the act of notifying in writing or verbally, the Board of Directors of any direct or indirect financial interests and positions of influence held by an individual participating in the IRDI initiative which could lead to a potential, apparent or actual conflict of interest.

"Divestment" means the sale at arm's length, or the placement in trust, of assets, where continued ownership by an individual participating in the IRDI initiative would constitute a potential, apparent or actual conflict of interest with the participant's IRDI related duties and responsibilities.

"Financial interest" means an interest in a business in the same area as the IRDI initiative as described in Section 2 of this document.

"IRDI Program" means the Industrial Research and Development Internship program.

"IRDI Initiative Director" means the Director of the IRDI initiative appointed by the IRDI Board of Directors.

"Intern" means a graduate student or post-doctoral fellow enrolled in a Canadian institution which is eligible to receive and manage funds under the guidelines of the granting agencies in any area of research provided that his or her

skills are sought by the participating firm to support its innovation efforts.

"**NCE Secretariat**" means the secretariat through which the federal Networks of Centres of Excellence program, and the IRDI initiative are delivered.

"**NCE Steering Committee**" means the committee composed of the three Granting Agencies' Presidents and the Deputy Ministers of Health Canada and Industry Canada, which has overall responsibility for the NCE programs (with the President of the Canadian Foundation serving as an observer).

"**Position of influence**" includes any position that entails responsibility for a material segment of the operation and/or management of a business.

2. Disclosure

Upon joining the IRDI initiative, each individual is obliged to disclose in writing to the Board of Directors, through the IRDI Program Director, any direct or indirect financial interests and positions of influence that could lead to a potential, apparent or actual conflict of interest (examples provided in section 5). In addition, these disclosures must be updated whenever the individual's circumstances change in a way that would necessitate a further disclosure. The individual also has the obligation to disclose any potential, apparent or actual conflict of interest that arises during any IRDI committee or Board meetings so that the committee or board is aware of the situation and can take appropriate action.

A) Financial Interest

A financial interest consists of:

- Any material stock option (above 5 percent) owned by the individual or similar ownership interest in a business, but excluding any interest arising solely by reason of investment in such business by a mutual, pension, or other institutional investment fund over which the person does not exercise control; or

- Receipt of, or the right and potential to receive, any income from such a business, whether in the form of a fee (e.g., consulting), salary, allowance, interest in real or personal property, dividend, royalty derived from licensing of technology, rent, capital gain, real or personal property, or any other form of compensation or contractual relationship, or any combination thereof.

3. Managing Conflict of Interest

The Board of Directors or its conflict of interest sub-committee is charged with the responsibility for managing conflict of interest, and determining and implementing the appropriate course of action. This management system is based on disclosure, as described in Section 2. All disclosures constitute confidential information that will be available to the Board, or a sub-committee thereof, for the evaluation and resolution of any conflict of interest or allegations of conflict of interest brought before the Board or its conflict of interest subcommittee.

While it is recognized that it may be difficult to completely avoid situations of potential, apparent or actual conflict of interest, complete avoidance or divestment may be required in certain cases. Such divestment should not consist of a sale or transfer of assets to family members or other persons for the purpose of circumventing the conflict of interest compliance measures as directed by the Board.

A) Principles

An individual participating in the IRDI initiative who is involved with, or has an interest in, or deals in any manner with a third party which might cause a conflict of interest, will not be present or participate in any decisions pertaining to the IRDI initiative, including committee decisions, if the declared potential conflict of interest could influence the decision or actions of the IRDI initiative. It is the obligation of the individual to declare such

potential, apparent or actual conflict of interest before discussions take place so that the committee or Board of Directors is aware of the situation in order to ensure that the individual is out of the room during the discussion and decision process. This course of action should be recorded in the minutes of the meeting.

Any question raised by an individual or company regarding the potential conflict of interest of an individual will be addressed at the board of directors level and must be documented in writing. The Board of Directors will determine the extent to which the question should be pursued and in such cases will consult the individual in question. If necessary, the individual will be asked to respond in writing.

B) Non-compliance

If an individual is discovered to be in conflict of interest where disclosure and prior approval have not been sought or granted, the Board of Directors of the recipient organization may direct that individual to:

- Report to the recipient organization any direct or indirect gain or benefit made arising from an involvement with, or an interest in, or dealings with a third party that gives rise to a conflict of interest; **and**
- withdraw from the involvement; **or**
- withdraw from the organization managing the IRDI initiative ; **or**
- take appropriate action as determined by the Board of Directors.

4. Review Process

An individual may request in writing, within 30 days, a review of a decision on conflict of interest. In certain circumstances, the Board of Directors may arrange for an independent third party appointed by mutual agreement of the recipient organization and the Board of Directors, and failing such mutual agreement, appointed by the NCE Steering Committee, to act as an intermediary to scrutinize scientific reports and budgetary information of the

internship project(s) in which the individual participating in the IRDI initiative is involved. The intermediary would provide an opinion on the overall merit of the review, without divulging specifics of a proprietary nature to other members of the recipient organization managing the IRDI initiative. The ultimate decision on the resolution of the review rests with the Board of Directors.

Any concerns with respect to decisions or actions of the Board of Directors itself, this concern should be submitted in writing to the NCE Steering Committee. The NCE Steering Committee may request the Chair of the Board of Directors to respond in writing to the NCE Steering Committee. Following submission of the Chair's response, the NCE Steering Committee will decide on follow-up action.

5. Examples of Conflict of Interest

The following examples, although not exhaustive, illustrate situations that may lead to a direct or indirect conflict of interest:

- employment in any capacity by another employer outside the participant's, administrator's or director's university, institution or company, including self-employment;
- holding an office that puts the individual in a position to affect decisions, such as manager with executive powers, within a company, or member of a board of directors;
- participating in a research contract or consultancy relationship with a company, or serving on the board of a company;
- entering into a research contract with a company in which the participant, or a member of his or her immediate family, has a financial or other interest;
- carrying out supplementary professional scientific activities in accordance with the disclosure requirements of the participant's or director's employing organization;
- ownership of equity or other financial participation in a corporation (including stock options and shares). Participants,

administrators and directors should abstain from activity in which they would have inside advantage (e.g., purchase of shares) based on the information they are privy to through membership in the IRDI initiative.

- accepting gifts (other than some minor hospitality) or special favours for him or herself or a member of his or her family from private organizations with which the recipient organization does business;
- influencing the purchase of equipment or materials for the recipient organization from a company in which the participant, the administrator or the director has a financial or other interest.

Appendix C: The Access to Information and the Privacy Act (ATIP)

The *Access to Information Act* gives Canadian citizens and people present in Canada a limited right of access to information in federal government records. The *Privacy Act* gives these same individuals a limited right of access to personal information about themselves held in government records and sets out rules and fair practices for the management of personal information by federal institutions. All information collected and generated in the context of the Networks of Centres of Excellence (NCE) programs under the control of the NCE Secretariat and the granting agencies is subject to these laws.

It is important to remember that the *Access to Information Act* and *Privacy Act* (ATIP) is intended to complement, not replace, established channels of communication. The NCE Secretariat promotes open, informal communication with the research community and with the public. Contact the NCE Secretariat before using the acts.

The Access to Information Act

A requester seeking access to NCE Secretariat records under the *Access to Information Act* must write to the ATIP Co-ordinator at the Natural Sciences and Engineering Research Council of Canada (NSERC), providing a precise description of the records sought and enclosing an application fee (\$5.00 at the time of this writing). Submitting a request does not guarantee that a requester will gain complete access to the requested records. The Act sets out specific exceptions and exemptions that apply in responding to such requests. For example, personal information about identifiable individuals or proprietary technical information submitted in confidence by researchers or companies would not be disclosed. Moreover, if a request requires a lengthy search or involves a large number of records, a requester could be asked to pay

additional fees to help cover the processing costs.

More information about the Act can be obtained from the NSERC Access to Information and Privacy Co-ordinator (see below), the ATIP Web page (<http://www.tbs-sct.gc.ca/atip-aiprp/index-eng.asp>), or from Info Source, a published register of federal information holdings available in most large libraries and available at www.infosource.gc.ca.

The Privacy Act

The *Privacy Act* gives people in Canada certain rights with respect to personal information about them held by federal institutions. For example, institutions must inform people from (or about) whom they collect personal information, how it will be used, and to whom it will be disclosed. Personal information may be used only for the purposes for which it was originally collected or for uses consistent with that purpose. The Act also contains a procedure for requesting the correction of inaccuracies in personal information.

Making a request under the *Privacy Act* is similar to making one under the *Access to Information Act*, except that there are no fees associated with requests to access personal information. The *Privacy Act* sets out limits to the right of access similar to those contained in the *Access to Information Act*. For example, unless otherwise set out in advance, a person requesting access to personal information about themselves would not be given access to personal information about another individual.

Use and Disclosure of Personal Information Provided to the NCE Secretariat

The decision-making processes related to applications received by the NCE Secretariat are subject to more publicity than traditional grant or scholarship applications made to individuals. Applicants, co-applicants and other participants, including members of boards of directors, managers and other key players, should be aware that their names and affiliations will be

accessible to the public. The NCE Secretariat routinely publishes and disseminates certain details about successful applications. These include the names and affiliations of applicants and co-applicants, the amount of the total award and any conditions attached to that amount, and summaries prepared by the applicant or by the NCE Secretariat for public reference. The final reports of the NCE Secretariat selection committees or the Private Sector Advisory Board, providing an overview of a competition along with a summary of each application recommended for funding, are also publicly disseminated.

More detailed personal information about applicants and prospective administrators collected by the NCE Secretariat programs is used to review applications, to administer and monitor awards, and to promote and support research. Consistent with these purposes, applicants should also expect that personal information collected by the program might be used and disclosed in the following ways:

- i) As part of the review process, applications are disclosed to selection committees composed of experts recruited from the academic, private and public sectors. Applications may also be transmitted to external referees, to members of ad hoc review committees or to site visit committees for review. Individuals recruited by the NCE Secretariat programs to participate in these review activities are instructed to protect, and treat as confidential, all information entrusted to them.
- ii) The substance of expert reviews and the comments of selection committees about a proposal are accessible to all co-applicants even though reviews may occasionally include comments about a particular co-applicant. Normally, NCE Secretariat staff provide these assessments as feedback to the principal applicant only; it is expected,

however, that he/she will share it with co-applicants.

- iii) The NCE maintains a separate database, for the information collected through the annual reporting mechanisms of the different NCE Secretariat programs. Information collected is available to members of the NCE Management and Steering Committees or their delegates who are affiliated with a granting agency or other partners of the NCE Secretariat including Industry Canada, Health Canada, the Canada Foundation for Innovation, the Canadian Institutes of Health Research (CIHR), the Social Sciences and Humanities Research Council (SSHRC), and NSERC.
- iv) Because of the relationship between the NCE Secretariat and its partners, staff of the NCE Secretariat are usually aware of other applications submitted by the same applicants or groups to other programs within the partners. For the purposes of adjudication and award administration, selection committees may be provided with information of co-applicants' proposals and awards in all programs. In cases when, for example, there is a question of possible overlap in the support of the same research activity by two or more programs, an application submitted to one program may be used during the review of an application submitted to another program. NCE Secretariat staff may also disclose the contents of applications to program staff in the agencies for the purposes of determining the most appropriate source of funding, jurisdiction, or to monitor overlap in federal support.
- v) The NCE Secretariat and its partners may use personal information about applicants in their files and databases to identify prospective committee

members and reviewers for specific grant applications, planning and evaluation purposes, audits, and to generate statistics for these activities. The agencies may also use the information in their files and databases to generate distribution lists in order to disseminate publications and other information to the research community.

- vi) Data on the gender of applicants is collected by the NCE Secretariat on a voluntary basis only. While gender data on specific individuals is not used in the adjudication process, it may be used by the NCE Secretariat or its partners to promote the increased participation of a specific group in programs and on committees.

Applicants and participants in the NCE Secretariat programs are subject to the [Tri-Council Policy Statement: Integrity in Research and Scholarship](http://www.nserc-crsng.gc.ca/NSERC-CRSNG/Policies-Politiques/tpsintegrity-picintegritie_eng.asp) (http://www.nserc-crsng.gc.ca/NSERC-CRSNG/Policies-Politiques/tpsintegrity-picintegritie_eng.asp) and their personal information may be used and disclosed consistent with this policy.

Information Provided to the NCE Secretariat

Information provided to the NCE Secretariat is subject to the *Access to Information Act* and the *Privacy Act*. Grant applicants and recipients are encouraged to separate information not related to the grant from meetings and documentation available to the NCE Secretariat and its representatives. Furthermore, applicants and recipients should adopt the practice of labelling information as confidential when the information contains:

- trade secrets;
- financial, commercial, scientific or technical information considered confidential;

- information that could result in a material financial loss or gain or impact a competitive position; and
- information that could affect contractual or other negotiations.

Annual Reporting Information

Throughout the grant period, recipients of grants are required to provide information to the NCE Secretariat. The information collected is consolidated across the relevant NCE program(s) to generate statistical information, update operational requirements and identify best practices that may be used by staff and committees. Information used in public reports and publications is discussed in advance with grant recipients.

Non-Disclosure and Confidentiality Agreements

Representatives of the NCE Secretariat will not enter into separate non-disclosure and/or confidentiality agreements.

For further information on the above acts, please contact:

ATIP Coordinator
Natural Sciences and Engineering Research
Council of Canada
350 Albert Street
Ottawa, Ontario K1A 1H5
Telephone: 613-995-6214
Fax: 613-992-5337

Appendix D: Environmental Review Requirements and Examples for Recipient Organizations

Environmental Review Requirements

Environmental review requirements for recipient organizations:

- An environmental review shall be carried out on all projects selected for funding by the recipient organization and on funded projects when the methodology changes significantly during the course of the funding period.
- The Board of Directors may choose to carry out the environmental review itself or to delegate this task, for example, by appointing a sub-committee or hiring consultants.
- Funds shall only be released to the intern's academic supervisor after the project has undergone an environmental review and the recipient organization has determined that no significant adverse effects on the environment are expected. The recipient organization should make awards conditional upon a satisfactory environmental review.
- If the Board of Directors or its delegate determines that the environmental effects of a project are significant, the project will not be funded by the recipient organization. In such cases, the result of the environmental review and the Board of Directors' decision shall be communicated to the academic supervisor, the intern and the host organization and to the NCE Secretariat.
- The recipient organization must report annually to the NCE Secretariat a summary of their environmental review process and the results of the completed reviews.

Example of Environmental Review Process

What follows is an example of an environmental review process. While the steps may be adapted or modified according to its own situation, each recipient organization must set up its own process, which is comparable to the process established by NSERC in fulfillment of its obligations, pursuant to the NSERC Policy on Environmental Assessment :

(http://www.nserc-crsng.gc.ca/NSERC-CRSNG/Politiques-Politiques/enviroassess-enviroeval_eng.asp) and to the Canadian Environmental Assessment Act (CEAA) (<http://laws.justice.gc.ca/en/C-15.2/index.html>) :

In most cases, the review will be straightforward and should be based on the applicant's self-assessment of the project, as per appendices A and B of NSERC's Form 101 found at:

http://www.nserc-crsng.gc.ca/OnlineServices-ServicesEnLigne/pdf/F101_e.pdf

The level of review will depend on the applicant's response and the complexity of the project. In principle, most laboratory projects conducted indoors may be excluded from such assessment, provided that appropriate environmental protection procedures are in place, e.g. provisions for the treatment of effluent or disposal of hazardous waste.

1. For projects conducted exclusively indoors, internship applicants (intern and academic supervisor) must attest to that fact in the proposal. (See page 1 of NSERC's Form 101)
2. For projects in which at least one activity takes place outdoors, the intern's academic supervisor must complete the equivalent of NSERC's Environmental Impact Statement and the *Canadian Environmental Assessment Act* Pre-screening Checklist (Form 101, Appendices A and B - http://www.nserc-crsng.gc.ca/OnlineServices-ServicesEnLigne/pdf/F101_e.pdf).

Environmental Impact Statements should be sent to and reviewed by the Board of Directors of the recipient organization (or its delegate) for an assessment of potential environmental effects. If there are no significant environmental concerns, the proposal can be approved and funded by the recipient organization.

If there are significant environmental concerns, a more thorough examination should be carried out by the internship applicant and academic supervisor preferably equivalent to a screening under sections 16(1)(a) to (d) of the *Canadian Environmental Assessment Act* (<http://laws.justice.gc.ca/en/c-15.2/index.html>). When preparing this more detailed report, it will be important to also take into account Sections 16.1, 18(1) to (3), 20(1.1) and 20(2) of the CEAA. The report is to be submitted to the Board of the recipient organization. The Board, or its delegate, must review the detailed report and determine whether or not the environmental effects are significant, even after proposed mitigation measures are put in place.

NOTE: Academic supervisors of interns will sign the Environmental Assessment forms for projects under their responsibility.

