



Government of Canada Gouvernement du Canada
Networks of Centres Réseaux de centres
of Excellence d'excellence

BUSINESS-LED NETWORKS OF CENTRES OF EXCELLENCE (BL-NCE)

PROGRAM GUIDE

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Canadian Institutes of Health Research
Social Sciences and Humanities Research Council of Canada

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Background of the BL-NCE Program

The BL-NCE program supports business-led research networks (BL-Networks) through a national competitive process in order to bring together government, private and academic experts from around the world to address private sector research needs and to support operation and commercialization activities of networks in the research priorities of the government.

The BL-NCE program is overseen by a tri-agency steering committee (NCE Steering Committee) made up of the Deputy Minister of Innovation, Science and Economic Development Canada (ISED), the Deputy Minister of Health Canada, the presidents of the three granting agencies [Natural Sciences and Engineering Research Council (NSERC), the Social Sciences and Humanities Research Council (SSHRC) and the Canadian Institutes of Health Research (CIHR)] and the president of the Canada Foundation for Innovation (as an observer).

Day-to-day administration of the BL-NCE program is provided by the Networks of Centres of Excellence (NCE) Secretariat.

The NCE Secretariat runs periodic national competitive processes through which the NCE Steering Committee selects successful BL-Networks on the advice of international peer review and a [Private Sector Advisory Board \(PSAB\)](#).

Program Objectives

The goal of the BL-NCE program is to address private sector research and development challenges in Canadian research priority areas through the creation of business-led research networks that increase private sector investment in R&D, innovation and competitiveness.

The purpose of the BL-NCE program is to fund large-scale collaborative networks focusing on industry issues. Each BL-Network will be proposed and led by the private sector with academia and government partners, and be driven to solve private sector needs. The program will focus on impacts, tangible achievements, applications of researcher breakthroughs, and commercialization activities in science and technology priority areas identified by the government.

Expected Results and Outcomes

The program goal is accomplished by investing in BL-Networks that yield the following benefits:

Research-Related Benefits

- Increase private sector investment in R&D and advanced technologies;
- Provide high quality post-graduate and post-doctoral training in innovative research;
- Strengthen public-private sector collaboration, including links between researchers and firms, to address significant research challenges that meet business needs; and
- Increase industry R&D capacity, including among small- and medium-sized enterprises (SMEs), and receptivity to the results of R&D.

Commercialization–Related Benefits

- Outline a clear path to market or business applications for the proposed research;
- Seek commercialization benefits that position Canadian firms in high value segments of production chains;
- Create, grow and retain companies in Canada that are able to capture new markets with new innovations;
- Accelerate the commercialization of leading edge technologies, goods and services in priority areas where Canada can significantly advance its competitive advantage; and
- Strengthen domestic collaboration that ensures that benefits spill over to a wide array of firms, sectors and regions of the country.

Program Criteria

To ensure that the program objectives are met, proposals are assessed against three criteria: Benefit to Canada, Track Record and Potential of the Applicants, and Strength of the Business Plan.

A. Benefits to Canada

- Identification of the vision for a given sector and the major R&D and commercialization challenges to be addressed to significantly advance the Canadian competitive advantage of that sector;
- Strengthening of public-private sector collaborations to meet private sector needs;
- Increasing industrial R&D capacity and receptivity to the results of R&D across large, medium and small enterprise;
- Positioning of Canadian firms in high-value segments of production chains;
- Creation, growth and retention of companies in Canada;
- Business and product innovations to capture new markets; and
- Increasing domestic collaboration across a wide array of firms, sectors and regions.

B. Track Record and Potential of Applicants

Past progress:

- Past achievements of the applicants;
- Evidence of commercialization and/or business application of research results leading to competitive advantage;
- Mechanisms to identify and manage conflicts of interest;
- Ability to address recommendations from previous competitions or competition stages;
- Demonstration of success in past collaborations across firms and in public-private collaboration;
- Demonstration of an increase in business receptivity to the results of R&D across large, medium and small enterprise;
- Management of deviations from previous strategic directions; and
- Attraction of top talent to the proposed research and business activities.
- Record of investment by private and other public partners in the BL-Network.

Potential for success:

- Potential to advance the proposed research and business activities;

- Excellence, focus and coherence of a research program;
- Capability of attracting new investments;
- Mechanisms in place to track and manage BL-Network impacts;
- Evidence of capacity to address significant research challenges that meet business needs; and
- Proposed training and exposure of post-graduate and post-doctoral HQP in innovative research.

C. Business Plan

Rationale for funding:

- Value of the partnerships, financially and in advancing the BL-Network;
- Value-add of the BL-Network approach;
- Plan to overcome challenges of the sector;
- Identification of outcomes for the funding cycle; and
- Justification and appropriateness of the budget request.

Description of benefits to private sector participants:

- Plan for the business application for the proposed research;
- Business cases for the involvement of large, medium and/or small enterprises in the BL-Network; and
- Identification of links between researchers and HQP with firms.

Business approach:

- Clear description of the path to market for the research through a market analysis;
- Identification of key risks and mitigation strategies;
- Communication strategies to engage under-represented entities within the current BL-Network membership;
- Identification of future projects and anticipated changes to the technology readiness, stage-gate or maturity level of each;
- Effectiveness of the plan to manage, protect and exploit IP in the BL-Network context; and
- Mechanisms to accelerate commercialization and/or business application of technologies, goods and services within firms.

BL-NCE Program Competitions

Competitions for BL-NCE funding are launched from time to time. Details about the competition process are available on our website at www.nce-rce.gc.ca.

The BL-NCE program uses a comprehensive multi-step review process in which applications are first peer-reviewed by Canadian and international experts in specific fields and sectors. These Expert Panels are established by the NCE Secretariat and will evaluate an application according to program criteria, meet with applicants, and produce in-depth written assessments of strengths and weaknesses.

Subsequently, the [Private Sector Advisory Board \(PSAB\)](#), a board of strategic advisors made up of respected Canadian industry leaders, will review the applications and related Expert Panel reports. The PSAB provides the [NCE Steering Committee](#) with funding recommendations.

The NCE Steering Committee makes the final decisions. There is no appeal process.

BL-NCE Program Requirements

Funding Agreement

Following the announcement of the funding decision, and prior to the release of the first installment of the grant, each BL-Network is required to sign a Funding Agreement with the granting agencies. Given the multi-disciplinary nature of the projects, funding for a given BL-Network may come from more than one granting agency. Funding disbursements will be managed by the NCE Secretariat and disbursed against the Funding Agreement.

Eligible Recipients

Recipient organizations eligible to receive BL-NCE grant funds are not-for-profit corporations incorporated under the Canada Not for Profit Corporations Act. BL-Networks must remain not-for-profit corporations and adhere to the BL-NCE Funding Agreement to continue to be eligible to receive BL-NCE funds.

Network Agreement

The Network Agreement is a common agreement signed by all Network Members receiving BL-NCE grant funds to advance the activities of the BL-Network. Release of grant funds to Network Members by the BL-Network is conditional on the signing of the Network Agreement. Detailed guidelines outlining the required elements of a network agreement are available in Appendix D.

Management and key resources

BL-Networks must have an administrative structure capable of managing a complex research program that may include a diverse set of participants from the private, academic and not-for-profit sectors. Each BL-Network must have an organizational structure appropriate for the management of network activities which may vary according to the need and size of each individual network.

Board of Directors

BL-Networks must appoint a Board of Directors that has the overall responsibility for its management, strategic direction and financial accountability, including the approval of annual audit and annual/final reports submitted to the NCE Secretariat. The Board of Directors is accountable to the NCE Steering Committee for the BL-NCE funds it manages.

The Board of Directors must consist of no fewer than 12 members. The membership of the Board of Directors must reflect the interests and concerns of the various stakeholders involved in the BL-Network and also include members with the skills needed to govern the BL-Network effectively. A minimum of one-third of the Board of Directors shall be composed of independent members.

The names and affiliations of the members of the Boards of Directors and its committees are considered public information. An NCE staff member has observer status on the Board of Directors of the BL-

Network and also attends meetings of the BL-Network's committees. In exceptional circumstances, the NCE Steering Committee may recommend one voting member (not a staff member of a granting agency) to the Board of Directors.

The BL-Network must advise the NCE Secretariat of any changes in membership of the Board of Directors during the term of the Funding Agreement.

Network Director / CEO

Each BL-Network has a director or chief executive officer (CEO) who reports to the Board of Directors. The director or CEO is responsible for operations and implementation of the business plan of the network. Other duties may include providing annual and financial reports approved by the Board of Directors to the NCE Secretariat, recruiting and managing personnel, acting on behalf of the BL-Network with the NCE Secretariat and promoting the objectives and activities to all relevant stakeholders, including the general public. The director or CEO is expected to commit at least 70 percent of their time to network-related activities in order to manage the BL-NCE grant effectively.

Financial Management

BL-Networks are not-for-profit organizations that need robust financial management systems. The BL-Network is expected to have effective financial monitoring in place.

Communications

BL-Network activities, results and accomplishments should be conveyed to external audiences, including potential participants from all sectors, public policy makers, the media and the public. BL-Networks are strongly encouraged to produce all nationally targeted communiqués and publications, including their website, in both official languages. In addition, BL-Networks should strive to communicate with individuals in the official language of their preference, for example, when recruiting members for peer review panels.

The BL-Network's communications activities and messages must acknowledge the contribution of the federal government by mentioning that the BL-Network is made possible through the funding of the Networks of Centres of Excellence, in conjunction with the Canada Wordmark.


The terms "Business-Led Networks of Centres of Excellence," and "Réseaux de centres d'excellence dirigés par l'entreprise," are official marks of the Government of Canada. The BL-Network shall identify itself as a Business-Led Network of Centres of Excellence and is permitted to use the names "Business-Led Networks of Centres of Excellence" and "Réseaux de centres d'excellence dirigés par l'entreprise," and the acronyms "BL-NCE" and "RCE-E." The BL-Network must immediately cease using all official marks upon termination of the funding agreement or dissolution of the BL-Network.

Administrative offices of the BL-Network

The BL-Network must ensure that the administrative centre has suitable accommodation, as well as access to appropriate computer, communications and financial administration systems needed to serve as the administrative secretariat of the BL-Network. The administrative centre can be hosted in any location including within an organization owned by a Network Member.

Use of BL-NCE Funds

Payments are managed by the NCE Secretariat and disbursed to the BL-Network against a Funding Agreement under the legal authority(ies) of the relevant granting agency(ies) (NSERC, and/or SSHRC and/or CIHR). The Funding Agreement is consistent with the BL-NCE Program Terms and Conditions and the BL-NCE Program Guide.

The network will follow the rules of the BL-NCE Program Guide and the rules of the  *Tri-Agency Financial Administration Guide*. In the case of inconsistency or conflict between the requirements of the *Tri-Agency Financial Administration Guide* and those of the BL-NCE Program Guide, the requirements of the latter shall prevail to the extent of the inconsistency or conflict. The BL-Network will contact the NCE Secretariat to obtain a ruling on specific cases where clarification is required.

Eligible Expenses

The BL-NCE program will provide support for the following eligible expenditures:

- direct research costs
- administration costs
- networking costs
- commercialization costs

Please refer to Appendix A for a detailed list of eligible and ineligible expenses.

Matching Fund Requirements

The BL-NCE program is a matching program that requires networks to generate revenue and secure partner contributions to leverage the BL-NCE funding. Contributions over the duration of the funding agreement are in the form of cash and in-kind, and must come from sources other than:

- Grants from federal granting agencies such as NSERC, CIHR, SSHRC, CFI or Genome Canada and its provincial centres;
- Partners funded by the NCE programs;
- Contributions or contracts outside of the scope of the BL-Network's activities; and
- Contributions from partners leveraged by other federal programs.

To be considered matching funds, the additional funding must also be used to support expenses that meet the eligibility criteria of the BL-NCE program.

The BL-NCE program will provide up to 50 percent of the eligible direct costs of research, and up to 75 percent of the eligible operating (administration, networking, commercialization, and outreach) costs of the BL-Network.

Contributors are the firms that provide the financial and resource means to meet the matching fund requirements, and are positioned to best utilize the results of the BL-Network. The role of the contributors extends beyond providing matching funds for the BL-Network activities. The contributors

should constantly be engaged to ensure the R&D activities may be applied within their firm and to identify any gaps that may exist in the BL-Network's strategic plan. While the BL-NCE Program sets a minimum matching contribution threshold, greater leveraging of contributor funds will maximize the impacts of the BL-Network.

Direct Research Costs

The BL-Network may flow funding to BL-network members to complete activities aligned with its business plan.

To be eligible to receive BL-NCE funds, network members must have signed the Network Agreement and be:

- *Canadian post-secondary institutions eligible to receive grant funds from the federal granting agencies;*
- *Private sector enterprises with substantial research and development (R&D) operations in Canada or with potential to benefit from R&D; and*
- *Canadian not-for-profit organizations.*

Federal, provincial, territorial and municipal government departments, agencies or Crown corporations are not eligible to receive BL-NCE grant funds.

It is understood that the organizations identified as network members in the BL-Network may change from time to time; however, all new network members receiving BL-NCE grant funds must be eligible and approved by the Board of Directors.

Although contributors sign the network agreement and provide funding for the BL-NCE activities, they are not eligible to receive funds unless they meet the eligibility criteria to also become a network member and sign the network agreement.

Operating costs

The BL-NCE program will provide up to 75 percent of the eligible operating (administration, networking, commercialization, and outreach) costs of the BL Network. However, the administration costs cannot exceed 20 percent of the total BL-NCE grant. While this ratio must be met over the entire granting period, BL-Networks should have a general idea of how the funds will be matched, at the time of the expense of any grant funds.

Subject to approval by the BL-Network's Board of Directors, the BL-NCE grant may fund the salary of BL-Network staff on the condition that contributions towards the remuneration from BL-NCE sources do not exceed \$120,000 (not including benefits). This condition applies to all positions (including employment contracts or contracts for positions that would otherwise be staffed by the BL-Network) and shall be pro-rated on the basis of the proportion of time worked relative to the full time equivalent.

Support for capital expenditures

Capital expenditures are defined as fixed, one-time expenses incurred for the purchase of equipment used in the production of good or in the rendering of services related to the research activities of the BL Network.

Where capital equipment expenditures are vital to the success of the BL-Network, the cost of that equipment may be considered an eligible expense, provided the equipment cost for which coverage is requested does not exceed \$1 million over the life span of the grant and does not exceed 20 percent of the total eligible expenses for research costs.

Plans for the lease and ownership of equipment acquired with BL-NCE should be formalized through agreements and/or contracts. These agreements should detail how the equipment will be used during the funding cycle, if any revenues are expected through user-fees, and what will happen to the equipment when the funding cycle is complete.

Stacking Provisions

The maximum level (stacking limit) of total government assistance (federal, provincial, and municipal) for this program will not exceed 75 per cent of the eligible expenses. If the stacking limit is exceeded, it will be necessary for the relevant federal agencies to adjust the payments to the BL-Network in such a way as to not exceed the stacking limit.

When a grantee is successful in attracting other funding, the additional funds do not displace the grant provided by the BL-NCE program. The BL-Network must use the additional funds to complement BL-NCE funded activities, by conducting additional work, hiring more research personnel, or widening the scope of its activities. BL-Networks who receive additional government funding for the same activities must respect the stacking limit. The balance above the stacking limit must come exclusively from non-government sources.

Administration of BL-NCE Grants

BL-NCE grants are administered through the NCE Secretariat. Grants are made for specific purposes. The NCE Steering Committee expects grant holders to use their grant for that purpose and in accordance with the program's and their institution's policies and guidelines. The NCE Steering Committee reserves the right to terminate or suspend a grant should the grant not be used for its intended purpose or should the BL-Network cease to meet the terms of its Funding Agreement. Amounts paid after the expiry of eligibility, or on the basis of a 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 BL-Network until it is satisfied that it meets the eligibility criteria of the program.

Funding Agreement

Following the announcement of the funding decision, and prior to the release of the first installment of the grant, a Funding Agreement is signed by representatives of one or more of the granting agencies and the BL-Network. The Funding Agreement outlines the terms and conditions that apply under the BL-NCE program.

Monitoring and guidance

The BL-Network's operations and activities are subject to general overview and monitoring by the NCE Steering Committee through the NCE Secretariat. NCE staff may participate in the resolution of technical, financial or administrative difficulties, and may also provide advice and guidance related to the interpretation of the granting agencies and the BL-NCE program's objectives, rules and guidelines. Assistance may also be provided in the coordination of the BL-Network's activities with those of other networks or centres or of other government-sponsored initiatives, including the diffusion of achievements.

The granting agencies will designate a staff member to participate, as an observer, in meetings of the Board of Directors and its committees. The staff member designated by the granting agencies will provide the Board of Directors and its committees with clarification on relevant program information related to the BL-NCE program and other programs of the granting agencies. The BL-Network shall give the granting agencies the same notice as is provided to the members of the Board of Directors and its committees in advance of each meeting.

The progress of the BL-NCE will be assessed against the program criteria by the PSAB. The PSAB will use the annual reports to assess the progress of each BL-Network against the original application, the BL-Network's business plan and the criteria defined in the BL-NCE program guide. The PSAB may recommend continued funding, phasing out the BL-NCE grant funds to the BL-Network, or an in-depth review by a panel of experts who will report back to the PSAB. The NCE Steering Committee is responsible for the final monitoring decision.

The NCE Steering Committee may, in its absolute discretion, terminate the funding agreement and provide no further funding if the results of the monitoring review are not to its satisfaction.

Reporting requirements

BL-Networks are asked to provide annual reports to the NCE Secretariat. The annual reports shall be approved by the Board of Directors and submitted to the NCE Secretariat no later than July 31 of each year. The NCE Secretariat should review the BL-Network's annual reports prior to submission.

The BL-Network must ensure that the network members have setup an effective accounting system to account for the receipt and expenditure of grant matching dollars.

Research Support Fund

The BL-NCE program is part of the [Research Support Fund \(RSF\)](#) which enables BL-Networks to engage in research using BL-NCE grant dollars and conducted at eligible Canadian institutions without incurring overhead expenses. Any BL-NCE grant funds allocated for research in eligible post-secondary institutions are eligible under the RSF program and will not be charged overhead. As part of the annual reporting, each institution must complete and provide the BL-Network with a Form 300. This form must be submitted with the BL-NCE annual reporting.

Academic network members eligible to claim the overhead on grant funds from the RSF should claim these amounts on the BL-NCE grant funds only. The RSF costs are not applicable to the BL-NCE matching funds and thus may be subject to overhead by the academic network members. It is required when dealing with academic network members that the BL-Network discloses the sources of the funding

provided in order to properly account for RSF and overhead costs. Note that overhead is not an eligible expense of the BL-NCE program and thus must not be covered by grant or matching funds.

Major changes

Upon endorsement by the BL-NCE's Board of Directors, any major change that would affect the general mission or key objectives outlined in the network's initial business plan must be submitted to the NCE Steering Committee for approval prior to implementation.

Audit framework

An internal audit and control framework, and periodic monitoring of the framework must be established by the BL-Network as a function of risk.

Renewal

Existing BL-Networks in their first cycle of funding have an opportunity to compete for a second five-year cycle. The renewal competition follows a two-stage process that includes a letter of intent (LOI) and a full application. The LOI is used as a tool for the NCE Secretariat to confirm the intent to apply for a renewal, and to identify experts for the review of the full application. For a renewal, every BL-Network that submits an LOI automatically becomes eligible to submit a full application. The full application is in turn peer-reviewed by an expert panel and by the Private Sector Advisory Board.

Renewal competitions typically take place during the last year of the current grant to ensure uninterrupted funding should the BL-Network be successful. BL-Networks cannot apply for a third cycle of funding.

Transitioning from the grant

Networks must plan to conclude the entire research program by the end of the term identified in the Funding Agreement. The Board of Directors and its committees should plan to hold any final meetings and retain only administrative staff beyond the term that are necessary to complete final reporting requirements (e.g. key finance staff). Committees of the Board of Directors must not approve or spend funding on any new projects past the end of the funding period. Any unmatched and/or unspent research funds must be declared to the NCE Secretariat through an up-to-date financial statement, and returned to the Receiver General of Canada, through the NCE Secretariat. Four months after the end of the term, a final report must be submitted to the NCE Secretariat. During this period, the administrative centre will remain active to collect unspent and unmatched grant funds, collect statements of accounts and final reports from network members and impact reports from contributors. At the conclusion of the four months, the BL-Network must provide:

- An annual report reflecting the activities and statements of account for the final year of research and administrative activities;
- an annual report for the activities and statements for the four month closing period;
- a final report representing the activities of the BL-Network during the entire funding period; and
- a cheque for the balance of unspent and unmatched BL-NCE funds.

Records must be kept a minimum of seven years following the conclusion of the Funding Agreement.

Policies

The Board of Directors is responsible for ensuring that the BL-NCE is managed according to the rules and regulations of governing a not-for-profit organization. Additional activities specific to an incorporated entity, such as the performance of audits and annual reports to the Canada Revenue Agency, are not under the purview of the BL-NCE program and will be the responsibility of the BL-Network.

As a grant holder, the Board of Directors is responsible for adherence to the Tri-Agency Framework on the Responsible Conduct of Research. The board must ensure that the BL-Network obtains appropriate certification for activities that involve agency requirements and legislation for the conduct of certain types of research and development.

As a BL-NCE, the following policies must also be adhered to:

- Benefits to Canada (appendix E)
- Conflict of Interest Policy Framework (appendix F)
- Environmental Review Process (appendix G)
- Responsible Conduct of Research (Appendix H)

Benefits to Canada

The Board of Directors must adopt a policy that encourages and facilitates research and commercialization for the greatest benefit to Canada. The agent or owners of intellectual property resulting from BL-Network funded activities will use reasonable and thorough efforts to maximize benefits to Canada, including the possible development of new Canadian receptor companies.

The NCE Secretariat and the granting agencies make no claim to ownership of intellectual property from the research funded by the network. Ownership of BL-Network-supported intellectual property shall be determined by applicable Canadian law and the separate agreements signed by Network Members and Contributors.

Conflict of Interest Policy Framework


Achieving the objectives of the BL-NCE program involves various types of interactions among BL-Network participants, some of which may place individuals in positions of potential, apparent or actual conflict of interest. The BL-Network must adopt a code of conduct in its by-laws for directors, officers, employees and committee members designed to prevent real or perceived conflicts of interest. The code shall be no less stringent than the NCE Conflict of Interest Policy Framework.

Environmental Review Process

The Board of Directors must establish a process for environmental review in fulfillment of its obligations pursuant to the Canadian Environmental Assessment Act, 2012 (CEAA 2012). All activities approved for

funding by the Board of Directors and that will be supported with BL-NCE funds must be reviewed for potential adverse environmental effects.

Responsible Conduct of Research

As a grant holder, the Board of Directors is responsible for adherence to the  [Tri-Agency Framework on the Responsible Conduct of Research](#). The Board of Directors must ensure that the Network obtains appropriate certification for activities that involve agency requirements and legislation for the conduct of certain types of research and development.

The Access to Information Act and the Privacy Act

The BL-NCE program is subject to the federal Access to Information Act and the Privacy Act.

Contact us

If you have any question or require additional information, you can reach us at:

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Ottawa (Ontario)
Canada, K1A 1H5

Tel: 613-995-6010
Fax: 613-992-7356
E-mail: info@nce-rce.gc.ca

Appendix A: BL-NCE Eligible Expenses

BL-NCE funds must be spent to further the objectives of the BL-NCE Program and those stipulated in the network's Business Plan. In order to assess the eligibility of costs, grantees should refer to the [Use of Grant Funds](#) section of the Tri- Agency Financial Administration Guide.

Given the specific goals of the BL-NCE program, there are eligible and non-eligible expenses that differ from those found in the Tri-Agency Financial Administration Guide. Those expenses are specified in the table below. Eligible Expenses for the BL-NCE funds are channeled into supporting operating and research costs of the BL-Network. BL-NCE grant funds used for eligible research costs must be matched by a ratio of 1:1. Every one BL-NCE grant dollar spent on eligible research costs must be matched by one dollar of cash or in-kind contributions from sources other than: the federal granting agencies such as NSERC, CIHR, SSHRC, CFI or Genome Canada and its provincial centres; partners funded by the NCE programs; contributions or contracts outside of the scope of the BL-Network's activities; and contributions from partners leveraged by other federal programs. BL-NCE grant funds for eligible operating costs (administration, networking, commercialization and outreach) must be matched by a ratio of 3:1. Every three BL-NCE grant dollars spent on eligible operating costs must be matched by one dollar of cash or in-kind contributions from sources other than: the federal granting agencies such as NSERC, CIHR, SSHRC, CFI or Genome Canada and its provincial centres; partners funded by the NCE programs; contributions or contracts outside of the scope of the BL-Network's activities; and contributions from partners leveraged by other federal programs.

In case of doubt and before engaging any funds, please contact your NCE liaison for further guidance.

Direct Cost of Research (up to 50 percent covered by the BL- NCE program)	
Eligible Expenses	Ineligible Expenses
Salaries of research personnel (students, post-doctoral fellows and/or technical/professional assistants) including non-discretionary benefits. Note: Non-discretionary benefits must not contravene Granting Agency guidelines and must adhere to provincial regulations.	Salaries of existing faculty.
Equipment or facility (purchase or rental, operation and maintenance costs and user fees).	
Capital expenditures Note: Must not exceed \$1 million dollars over the life span of the grant and must not exceed 20 percent of the total eligible expenses for research costs.	
Materials, samples and supplies	
Travel (conferences, field work, collaboration/consultation)	

Dissemination costs (publication costs, other activities)	
Administration, Networking and Commercialization Expenses (up to 75 percent covered by the BL-NCE program)	
Note: Administration expenses cannot exceed 20 percent of the total BL-NCE grant	
Eligible Expenses	Ineligible Expenses
<p>Full-time equivalent salaries for network leader and staff up to \$120,000/year (excluding benefits). The balance of a salary exceeding this amount must be provided by other funding sources.</p> <p>Non-discretionary benefits include workplace safety insurance coverage costs for Network staff, pension benefits, medical, vision and dental care benefits and parental leave. The costs of the benefits package should be in the average market range.</p>	<p>Remuneration for Board Directors.</p> <p>Honoraria for external reviewers</p> <p>Discretionary severance and separation package.</p>
<p>Contracting of services:</p> <p>Contracting professional services (legal services, special accounting services, audit, etc.) are only eligible where the expertise and/or services are not already available within the BL-Network.</p>	<p>Routine courses (Excel, language training, Word etc).</p>
Office supplies and equipment	
<p>Operating expenditures of the administrative centre</p> <ul style="list-style-type: none"> • Lease • Telecommunications • IT support 	<p>Expenses related to the construction, and purchase of a building or building space.</p>
Communication activities and marketing (newsletters, promotional material, special events etc)	Gifts
Travel and accommodation for network personnel, researchers and members of the Board of Directors.	
Liability insurance	
Pre-commercialization support services	
Market studies	
Prototype development	
Legal fees, audit costs and other related incorporation costs for the Network.	
Hospitality costs for networking and research purposes.	Alcoholic beverages

Appendix B: Calculation of In-Kind Contributions

For all NCE Programs, in-kind (cash equivalent) contributions are defined as cash-equivalent goods or services that represent an incremental expense that the partner would not otherwise incur and which would have to be paid for with network/centre funds if not provided by a partner. In-kind contributions should be relevant and central to the activities or mandate of the network/centre, must be eligible expenses as per the program guidelines and cannot have been used to fulfill the leveraging requirements of other federal programs.

Reporting Guidelines

- The nature of an in-kind contribution and its valuation must be detailed. It is the responsibility of the Board of Directors to ensure that a proper accounting framework is created to ensure that the reported value for all items is reasonable. The NCE Secretariat may request justification in the case of questionable valuations.
- If there is doubt regarding the eligibility of an in-kind contribution, the network/centre must seek clarification from the NCE Secretariat. Each case is considered on its merits, and the NCE Secretariat exercises discretion in making the final decision.

Calculation table

The table below is a non-exhaustive list of in-kind contributions, with an indication of how to calculate their value. If in doubt about a particular item, contact the NCE Secretariat.

Category	Calculation of recognized contribution	Ineligible contributions
Access to unique databases	<ul style="list-style-type: none"> • Incremental cost of access 	<ul style="list-style-type: none"> • Cost of developing or maintaining database
Analytical and other services	<ul style="list-style-type: none"> • Internal cost of services 	<ul style="list-style-type: none"> • Commercial cost of access
Equipment	<p>Donated (used)</p> <ul style="list-style-type: none"> • Fair market value • Company book value <p>Donated (new)</p> <ul style="list-style-type: none"> • Selling price to most favored customer (if stock item) • Cost of manufacture (if one of a kind) <p>Loaned</p> <ul style="list-style-type: none"> • Rental equivalent based on depreciation • Rental equivalent to highest-volume rate 	<ul style="list-style-type: none"> • List price or discounted list price • Rental equivalents exceeding accepted values had the equipment been donated or sold • Development costs
Hospitality	<ul style="list-style-type: none"> • Cost 	<ul style="list-style-type: none"> • Alcoholic refreshments

Materials and samples	<ul style="list-style-type: none"> • Unit cost of production for commercial products • Selling price to most favoured customer • Price for internal transfers • Cost of production of prototypes and samples 	<ul style="list-style-type: none"> • Development costs
Intellectual property	<ul style="list-style-type: none"> • Fair market value of licencing and royalties 	<ul style="list-style-type: none"> • Cost of maintenance and litigation • Licensing fees paid to partners
Professional and technical service contracts	<ul style="list-style-type: none"> • Cost 	
Salaries	<ul style="list-style-type: none"> • Research personnel (Engineers, scientists, technical/professional assistants): actual salary cost up to a maximum of \$80 /hour (including benefits). • Managerial and administrative staff: actual full-time equivalent salaries up to \$120,000/year (excluding benefits). 	<ul style="list-style-type: none"> • Remuneration for work on board committees • Salary overheads, external charge-out or consultant rates
Software	<ul style="list-style-type: none"> • Most-favoured-customer cost for one licence per software package • Cost of equivalent commercial product (where donated software is not commercially available) • Cost of training and support (at the university/college/hospital site) for software by industrial partner personnel 	<ul style="list-style-type: none"> • Development costs
Travel costs	<ul style="list-style-type: none"> • Travel costs to meet with networks and centres • Reasonable accommodation costs 	
Use of facilities	<ul style="list-style-type: none"> • Cost of access to the facility • Internal rates for use of specialized equipment • Internal rates for value of lost production, resulting from downtime 	

Appendix C: Program Criteria and Expected Benefits

Applications from new BL-Networks and the ongoing operations of existing BL-Networks are assessed against the following selection criteria:

A. Benefits to Canada

- Identification of the vision for a given sector and the major R&D and commercialization challenges to be addressed to significantly advance the Canadian competitive advantage of that sector;
- Strengthening of public-private sector collaborations to meet private sector needs;
- Increasing industrial R&D capacity and receptivity to the results of R&D across large, medium and small enterprise;
- Positioning of Canadian firms in high-value segments of production chains;
- Creation, growth and retention of companies in Canada;
- Business and product innovations to capture new markets; and
- Increasing domestic collaboration across a wide array of firms, sectors and regions.

B. Track Record and Potential of the Applicants

Past progress:

- Past achievements of the applicants;
- Evidence of commercialization and/or business application of research results leading to competitive advantage;
- Mechanisms to identify and manage conflicts of interest;
- Ability to address recommendations from previous competitions or competition stages;
- Demonstration of success in past collaborations across firms and in public-private collaboration;
- Demonstration of an increase in business receptivity to the results of R&D across large, medium and small enterprise;
- Management of deviations from previous strategic directions;
- Attraction of top talent to the proposed research and business activities; and
- Record of investment by private and other public partners in the BL-Network.

Potential for success:

- Potential to advance the proposed research and business activities;
- Excellence, focus and coherence of a research program;
- Capability of attracting new investments;

- Mechanisms in place to track and manage BL-Network impacts;
- Evidence of capacity to address significant research challenges that meet business needs; and
- Proposed training and exposure of post-graduate and post-doctoral HQP in innovative research.

C. Business Plan

Rationale for funding:

- Value of the partnerships, financially and in advancing the BL-Network;
- Value-add of the BL-Network approach;
- Plan to overcome challenges of the sector;
- Identification of outcomes for the funding cycle; and
- Justification and appropriateness of the budget request.

Description of benefits to private sector participants:

- Plan for the business application for the proposed research;
- Business cases for the involvement of large, medium and/or small enterprises in the BL-Network; and
- Identification of links between researchers and HQP with firms.

Business approach:

- Clear description of the path to market for the research through a market analysis;
- Identification of key risks and mitigation strategies;
- Communication strategies to engage under-represented entities within the current BL-Network membership;
- Identification of future projects and anticipated changes to the technology readiness, stage-gate or maturity level of each;
- Effectiveness of the plan to manage, protect and exploit IP in the BL-Network context; and
- Mechanisms to accelerate commercialization and/or business application of technologies, goods and services within firms.

Expected Benefits

Expected Research-Related Benefits:

- Increase private-sector investment in R&D and advanced technologies;

- Provide high quality post-graduate and post-doctoral training in innovative research;
- Strengthen public-private sector collaboration, including links between researchers and firms, to address significant research challenges that meet business needs; and
- Increase industry R&D capacity, including among small- and medium-sized enterprises (SMEs), and receptivity to the results of R&D.

Expected Commercialization–Related Benefits:

- Outline a clear path to market or business applications for the proposed research;
- Seek commercialization benefits that position Canadian firms in high value segments of production chains;
- Create, grow and retain companies in Canada that are able to capture new markets with new innovations;
- Accelerate the commercialization of leading edge technologies, goods and services in priority areas where Canada can significantly advance its competitive advantage; and
- Strengthen domestic collaboration and ensure that benefits spill over to a wide array of firms, sectors and regions of the country.

Appendix D: BL-NCE Network Agreement Guidelines

Background/Overview

As part of the requirements of the Funding Agreement, the BL-Network must execute a Network Agreement. These guidelines outline the required elements to be addressed in the Network Agreement to ensure accordance with the BL-NCE Funding Agreement and the BL-NCE program.

Signatories

- The BL-Network a federally incorporated Not-For-Profit organization in receipt of the BL-NCE Grant funds.
- Organizations providing funding to the BL-Network activities (“Contributors”)
- Organizations receiving funding and participating in the research activities (“Network Members”)

Each signatory has unique roles and responsibilities to enable the success of the BL-Network. **The roles and responsibilities of each signatory are outlined below and must be captured in the Network Agreement.** All participants should sign a single agreement and where necessary, develop separate agreements to deal with specifics related to a given organization. As outlined in the Funding Agreement, the BL-Network should solicit independent legal counsel to negotiate these agreements. For additional information please contact your NCE Secretariat liaison.

The BL-Network

As the central piece of the initiative, the BL-Network is the stewards of the BL-NCE grant funds, the matching contributions, the activities undertaken, and delivery on the commitment to the federal government. As such the BL-Network has signed a Funding Agreement with the granting agencies outlining the obligations of funding. Many of those obligations fall to the BL-Network, while others extend to BL-Network interactions with Contributors and Network Members. The latter obligations are captured below and reflect necessary components of a BL-NCE Network Agreement.

The Network Agreement should include:

- The goal and/or mandate of the BL-Network.
- An overview of how the various “Participants” (i.e. the BL-Network not-for-profit, Contributors, and Network Members) interact to create the network.
- A description of the funding categories and matching requirements of the BL-NCE program.
- The processes to invite, identify, select and fund projects that will enable the BL-Network to achieve success.
- The term by which the Network Agreement will be in effect with a possibility of extension depending on the results of a renewal competition (if applicable).
- The mechanisms and process for dispute resolution and withdrawal from the agreement.
- A description of Network Supported Intellectual Property (NSIP).

- A general overview of how research results are identified, who are the owners, the process of protection and the mechanism of access available to the various participants across the BL-Network.
- The obligations of the BL-Network as per the BL-NCE Funding Agreement that also affect participants including the relevant paragraphs of sections: 3, 4, 5, 6, 8, 10, 11, 12, 15, 16, 18, 19, and 21.
- The minimum time required for maintaining records related to the BL-Network.
- The approach to dealing with conflict of interest that may exist in BL-Network Governance and Administration.
- Any requirements for membership in the BL-Network (e.g. Board of Directors or committee participation, attendance to BL-Network meetings, explanation of membership levels, etc.)

Contributors

The BL-NCE program requires that the BL-NCE grant contributions towards the activities of the BL-Network be matched by other sources of funding. Contributors to these activities have a special relationship with the BL-Network as they not only provide the financial and resource means to meet the matching fund requirements, but they are also positioned to best utilize the results from the BL-Network. The value-add of the network approach provides contributors with the opportunity to leverage their financial and in-kind contributions not only against grant funds but also against that of other contributors. This provides significantly greater returns on investments for each contributor and strengthens the collaboration within the BL-Network.

In a situation where Contributors also have a role as Network Members (i.e., provide funding to the BL-Network as well as conduct research), it is essential for the BL-Network to put in place mechanisms to ensure the sharing of the research results occurs and to maintain control of the research outcomes to greater disseminate the results among a larger number of network participants. Without these controls a BL-Network may act as a granting agency where projects are isolated from each other and dissemination does not occur. This diminishes the value-add of the BL-Network and undermines the goals of the BL-NCE program in maximizing value to the sector.

All contributions (cash and in-kind) must be made to the BL-Network and not specifically to projects or activities of the BL-Network. Cash contributions must be paid first to the BL-Network who will subsequently issue payments to Network Members upon direction by the BL-Network Board of Directors. In-kind contributions must be committed to the BL-Network in agreements separate from the Network Agreement and detail the specifics of the in-kind contribution (e.g. identification of resources, level of access, duration, etc.). The BL-Network Board of Directors will allocate these resources as needed to complete the activities.

In addition to the above and as it relates to Contributors, the Network Agreement should also include:

- A description of the different categories of Contributors (e.g. Host organization contributing administrative facilities, Staffing support, Network activities) and an overview of the separate agreements to be used for each.
- Statement that all contributions must be auditable and must not be double counted towards other federal government matching fund programs.

- Description of the process used to make contributions to the BL-Network and how those contributions will be collected, utilized and reported upon by the BL-Network.
- An overview of eligible in-kind contributions.
- A description of the benefits/rights of Contributors as a result of their participation and contribution to the BL-Network.
- If relevant, discuss the rights and limitations to access the research results across different levels/classes of membership.

Network Members (Researchers)

This group represents **organizations that are eligible to receive grant funds and will undertake the BL-Network research activities**. In addition to delivering on the research objectives for the BL-Network, this group must also adhere to the research and funding requirements stipulated by the granting agencies. The Network agreement must address these elements:

- Declarations to the BL-Network of any additional government funding received for the research funded by the BL-Network (this will enable the BL-Network to oversee the stacking requirements).
- An overview of the reporting requirements (i.e. frequency, conditional funding, review and decision making).
- Requirement for all researchers based at an academic research institution to sign the Consent to Disclosure agreement.
- Acknowledge the receipt of funding from the BL-Network in public documentation and/or publications.
- In accordance with the granting agency policies, define the maximum period that publications can be delayed when such a delay will interfere with the graduation of an HQP.
- Description of the general requirements of the BL-Network on Network Members and identification of the separate agreements that will deal with the specific requirements (e.g. payment schedule, expected deliverables, milestone schedule, etc.).
- Requirements around the ethical conduct of research and where relevant, inclusion of the requirements for certain types of research as it applies to the areas of research.
- Provisions around the events of default that result in a termination of funding.
- A statement on the ownership of capital equipment purchased using grant funds, where that equipment resides, and what happens to that equipment following the term.

Appendix E: Benefit to Canada

Working Guidelines

A key BL-NCE program objective is to advance Canadian economic and social development. Accordingly, every effort must be made to have the results of network-funded research 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. For example, maximum benefits would be derived from the creation of high-quality jobs in Canada, which should be an important goal of any commercialization activity.

The owners of intellectual property resulting from BL-Network research and/or commercialization activities, or the agent acting on their behalf, will consult with relevant stakeholders (BL-Network administrators, members, universities, and researchers) on issues of commercialization. When selecting a receptor company for the exclusive license of the commercial rights of intellectual property resulting from network research and/or commercialization activities, the agent/owners of intellectual property resulting from the network research and/or commercialization activities 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 commercialization activities that are being exploited, and on the window of opportunity.

The agent/owners of intellectual property resulting from network research and/or commercialization activities should take the following non-comprehensive list of possible benefits to Canada factors into consideration in exercising that due diligence:

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

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 BL-Network Board of Directors, and to provide a report approved by the Board of Directors to the NCE Secretariat that describes the rationale and circumstances that led to the decision. The NCE Steering Committee reserves the right to impose sanctions as it deems appropriate, if there is failure to comply with these reporting requirements or negligence in performing the due diligence, on the part of the BL-Network.

Appendix F: Conflict of Interest Policy Framework

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

To ensure that BL-Network operations and decisions are not biased by conflict of interest, the responsibility for implementing and managing the Conflict of Interest Policy Framework is delegated to each BL-Network Board of Directors, who represents the highest authority in the management structure of the BL-Network.

Individuals participating in the BL-Network who do not receive BL-NCE grants, such as members of the Board of Directors and of advisory committees, play a unique role in the BL-Networks in bringing an important perspective as a result of their particular knowledge, often as representatives of organizations in the field of interest of the BL-Network. Although they do not receive BL-NCE funds, they are still required to disclose any financial interest or position of influence, as described in the Disclosure Section of this document, in any business in the same area of interest as the BL-Network, other than that of their main employer.

The Conflict of Interest Policy is intended to enable BL-Network Board of Directors and individuals to recognize and disclose situations that may be open to question and to ensure that such situations are appropriately resolved. The policy builds upon, and is complementary to, those of the organizations that make up the BL-Network Board of Directors, the BL-Network investigators and the administrators.

Definitions

- (a) "Administrative Centre" means the central administrative offices of the BL-Network;
- (b) "Avoidance" means refraining from, or withdrawing from, participation in activities or situations that place an individual participating in the BL-Network in a potential, apparent or actual conflict of interest relative to his or her BL-Network duties and responsibilities;
- (c) "Board" means the BL-Network Board of Directors that is responsible for the overall management of the BL-Network;
- (d) "Conflict of interest" means a situation where, to the detriment or potential detriment of the BL-Network, an individual or organization is, or may be, in a position to use intellectual property, research knowledge, authority or influence (real or perceived) for personal or family gain (financial or other) or for the benefit others;
- (e) "BL-NCE" means the federal Business-Led Networks of Centres of Excellence program;
- (f) "BL-Network" means a not-for-profit corporation funded under the federal Business-Led Networks of Centres of Excellence program;
- (g) "Network Director" means the holder of the BL-NCE Grant who is a non-voting ex-officio member of the BL-Network's Board of Directors.

(h) "Disclosure" means the act of notifying in writing the Board of Directors, through the administrative centre, of any direct or indirect financial interests and positions of influence held by an individual participating in the BL-Network that could lead to a potential, apparent or actual conflict of interest.

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

(j) "Financial interest" means an interest in a business in the same area as the BL-Network as described in the Financial Interest section of this document.

(k) "NCE Secretariat" means the secretariat through which the federal Networks of Centres of Excellence program and the BL-NCE program are delivered.

(l) "NCE Steering Committee" means the committee which has overall responsibility for the BL-NCE program comprised of the three granting agencies' presidents, the Deputy Minister of Industry Canada, and the Deputy Minister of Health Canada, with the President of the Canada Foundation for Innovation serving as observer.

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

Disclosure

Upon joining the BL-Network, each individual is obliged to disclose in writing to the board, through the administrative centre, any direct or indirect financial interests and positions of influence that could lead to a potential, apparent or actual conflict of interest (examples provided below). In addition, these submissions 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 when it arises during BL-Network committee or board meetings so that the committee or board is aware of the situation and can take appropriate action.

Board members and members of other committees of the BL-Network should identify their interests in all organizations working in the same sector as the BL-Network and explain the relationship of the organization(s) to the BL-Network.

Financial Interest

This consists of:

- Any material stock option (e.g., one per cent) or similar ownership interest in such 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.

Management of Conflict of Interest

The board or its conflict of interest subcommittee is charged with the responsibility of managing conflict of interest, and determining and implementing the appropriate course of action. This management

system is based on disclosure, as described in the disclosure section. All disclosures constitute confidential information that will be available to the board, or a subcommittee 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 BL-Network 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 and participate in any BL-Network decisions, including committee decisions, if the declared potential conflict of interest could influence the decision or actions of the BL-Network. 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 is aware of the situation in order to ensure that the individual is out of the room when the discussion and decision process on the item in question are taking place. 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 raised at the board level and must be documented in writing. The board 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 will require the individual to:

- account to the BL-Network for any gain or benefit made directly or indirectly, arising from an involvement with, or an interest in, or from dealing in any manner with a third party that gives rise to a conflict of interest; and
- withdraw from the involvement; or withdraw from the BL-Network; or take appropriate action as determined by the board.

Review Process

An individual may request in writing, within 30 days, a review of a board's decision on conflict of interest. In certain circumstances, the board may arrange for an independent third party appointed by mutual agreement of the BL-Network and the board, and failing such mutual agreement, appointed by the NCE Steering Committee, to act as an intermediary to scrutinize scientific reports and budgetary information of research project(s) in which the individual participating in the BL-Network 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 BL-Network. The ultimate decision on the resolution of the review rests with the board.

In cases where there is a concern with respect to decisions or actions of the board itself, this concern should be submitted in writing to the NCE Secretariat. The NCE Secretariat may request the Chair of the board 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.

Examples of Conflict of Interest

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

- Employment in any capacity by another employer outside the participant's, administrator's or director's organization, corporation or company signing the network agreement, 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, business contract or consultancy relationship with a company, or serving on the board of a company;
- Entering into a research contract and/or business contract with a company in which the participant, or a member of the participant's immediate family, has a financial or other interest;
- Carrying out supplementary professional scientific or business 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 BL-Network;
- 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 BL-Network does business;
- Influencing the purchase of equipment or materials for the BL-Network from a company in which the participant, the administrator or the director has a financial or other interest.

Conflict of Interest Guidelines for Expert Panels and Selection of Projects

The conflict of interest guidelines as adapted from NSERC and CIHR state that Expert Panel Members should not:

- be from the same university as the applicant(s);
- have been a research supervisor or graduate student of the applicant(s) within the past six years;
- be providing letters of support for the application;
- have collaborated with the applicant(s) within the past six years or have plans to collaborate in the immediate future;
- be an employee of a non-academic organization with which the applicant has had collaboration within the past six years;
- be in any other potential conflict of interest (e.g., personal, financial);
- Committee members who have an application before the committee shall absent themselves from that meeting of the committee;
- Committee members must declare a conflict of interest if they:

- are from the same immediate institution or company as the applicant, and who interact with the applicant in the course of their duties at the institution or company;
- are a close personal friend or relative of the applicant;
- have had long-standing scientific or personal differences with the applicant;
- are in a position to gain or lose financially from the outcome of the application (e.g., hold stock in the company of an industry member or a competitor) or
- for some other reason feel that they cannot provide an objective review of the application.

Appendix G: Environmental Review Requirements

Requirements:

Where applicable, NCE recipient organizations (e.g. organizations receiving IRDI, NCE, BL-NCE and CECR grants), must comply with the [Canadian Environmental Assessment Act, 2012](#) ([CEAA 2012](#)) by ensuring that activities supported with NCE funds are not likely to cause significant adverse environmental effects [in areas within federal jurisdiction](#), and must develop a review process as follow:

Boards of directors responsible for approving the proposals to be funded must ensure that an environmental review is in place and is being implemented. NCE recipient organizations can establish their own process according to their own situation, e.g., a board may choose to carry out the environmental review itself or to delegate this task, by appointing a subcommittee of the board or hiring consultants who will submit their recommendations to the board.

New activities funded by NCE recipient organizations, or ongoing ones where the methodology has changed significantly during the course of the funding period, are subject to assessment or review under the [CEAA 2012](#) when they fall within the definition of either “designated projects” or “projects” ([sections 67-68, CEAA 2012](#)).

NCE funds shall only be released to applicants after proposals have undergone an environmental review and if it has been determined that no significant adverse environmental effects are likely. If the environmental review has not taken place at the time of the grant approval by the board, the grant can be made conditional on a favorable environmental review.

An environmental report must be submitted annually by the NCE recipient organizations to the NCE Secretariat summarizing the environmental review process adopted by the board and the results of the reviews done during the year (e.g. including information on new proposals, or on-going research or activities that required a more detailed environmental review, modification or cancellation).

Example:

The self-identification process detailed in the [NSERC's Guidelines on Environmental Review and Assessment](#), and the [NSERC's Environmental Information Form](#) or the [Form 101, Appendices A and B Environmental Impact checklists](#)). can be used as an example of how relevant information can be collected from applicants.

APPENDIX H: REQUIREMENTS FOR CERTAIN TYPES OF RESEARCH

Guidelines and Policies

The policy statement associated with the requirements for certain types of research of the three granting agencies can be found at: www.nserc-crsng.gc.ca/NSERC-CRSNG/Politiques-Politiques/certaintypes-typescertaines_eng.asp. More specifically, here are the areas that the policy covers:

- Research involving human subjects shall meet the requirements of the Tri-Council Policy Statement: Ethical Conduct for Research Involving Humans (see www.pre.ethics.gc.ca/eng/policy-politique/initiatives/tcps2-eptc2/Default/ for details);
- Research involving human pluripotent stem cells is required to adhere to the Updated Guidelines for Human Pluripotent Stem Cell Research posted on the CIHR website (see <http://www.cihr-irsc.gc.ca/e/15255.html> for details);
- Research requiring the use of animals shall be conducted in accordance with the policies and guidelines of the Canadian Council on Animal Care (CCAC) *Guide to the Care and Use of Experimental Animals* (Volume 1 and 2) and hold a valid Certificate of Good Animal Practice – GAP (see www.ccac.ca/en/_standards/guidelines);
- Research involving biohazards must adhere to the standards outlined in the latest edition of Laboratory Biosafety Guidelines of the Public Health Agency of Canada (see www.phac-aspc.gc.ca/publicat/lbg-ldmbl-04/index-eng.php for details);
- Research involving infectious agents must adhere to the latest edition of the Laboratory Biosafety Guidelines prepared by the Public Health Agency of Canada (see www.phac-aspc.gc.ca/publicat/lbg-ldmbl-04/index-eng.php for details);
- Research involving radioactive materials must comply with all Canadian Nuclear Safety Commission (CNSC) regulations, recommended procedures, and safety precautions governing the use of such materials in Canada (see www.cnsccsn.gc.ca/eng/acts-and-regulations/index.cfm for details);
- Research activities having potential effects on the environment must adhere to the Environmental Review Policy for Networks Receiving NCE Funds (see Appendix F for details);
- Research involving controlled information must comply with all laws and regulations regarding Controlled Information, including but not limited to the *Defence Production Act*, *Export Control Regulations*, and the *Controlled Goods Regulations* before, during or after the tenure of a grant from the NCE. The BL-Network will ensure subsequent documentation required by the NCE Secretariat, including annual progress reports, final reports, and strategic plan, will not include information subject to restrictions or controls under the *Export and Import Permits Act* or its regulations, the *Export Control Regulations* or the *Controlled Goods Regulations* (see <http://ssi-iss.tpsgc-pwgsc.gc.ca/dmc-cgd/> for details);

- Research performed in the Yukon, the Northwest Territories and Nunavut must be accompanied by the appropriate licences for all researchers. Research in the North should be governed by a set of ethical principles as described in the publications by the Association of Canadian Universities for Northern Studies titled - Ethical Principles for the Conduct of Research in the North (see www.acuns.ca/website/ethical-principles).

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

The *Access to Information Act* (ATI) 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 that comes under the control of the NCE Secretariat and the granting agencies is subject to these laws.

It is important to remember that the 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* (ATIA) must write to the ATIP Co-ordinator at Natural Sciences and Engineering Research Council (NSERC) providing a precise description of the records sought and enclosing the appropriate application fee. 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 website (www.tbs-sct.gc.ca/atip-airp/index-eng.asp) or from Info Source, a published register of federal information holdings available in most large libraries or 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 correction of inaccuracies in personal information.

Making a request under the *Privacy Act* is similar to making one under the ATIA, 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 ATIA. 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.

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. Successful 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: 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 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 to 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 provides 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 is 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-Agency Framework: Responsible Conduct of Research 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:

- a. trade secrets;
- b. financial, commercial, scientific or technical information considered confidential;
- c. information that could result in a material financial loss or gain or impact a competitive position;
and
- d. 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 with grant recipients in advance.

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