

# ATLANTIC Innovation Fund

## Request for Project Proposals (RFPP)

**June 22, 2001**



Atlantic Canada  
Opportunities  
Agency

Agence de  
promotion économique  
du Canada atlantique

Canada

## TABLE OF CONTENTS

<b>1.0</b>	<b>Introduction</b>	1
<b>2.0</b>	<b>Program Description</b>	2
2.1	<u>General</u>	2
2.2	<u>Terms and Conditions</u>	2
2.3	<u>Eligible Recipients</u>	2
2.4	<u>Repayability</u>	3
2.5	<u>AIF Level of Assistance</u>	3
2.6	<u>Intellectual Property</u>	3
2.7	<u>Environmental Assessment</u>	3
<b>3.0</b>	<b>Guidelines for Proposals</b>	4
3.1	<u>Request for Project Proposals (RFPP) Process</u>	4
3.2	<u>Proposal Content Guidelines</u>	4
3.3	<u>Support for Preparation of Proposals</u>	4
3.4	<u>Proposal Evaluation</u>	4
(i)	<u>Essential Eligibility Criteria</u>	4
(ii)	<u>Desirable Criteria</u>	5
<b>4.0</b>	<b>Evaluation Process</b>	5
4.1	<u>The Detailed Evaluation Stage</u>	5
4.2	<u>Technical Review</u>	5
4.3	<u>Proponent Responsibilities during Evaluation</u>	6
4.4	<u>Project Approval</u>	6
4.5	<u>The Contract</u>	6
<b>5.0</b>	<b>General Procedures</b>	6
5.1	<u>Language</u>	6
5.2	<u>Submission</u>	7
5.3	<u>Closing Date</u>	7
5.4	<u>Enquiries and Requests for Clarification</u>	7
5.5	<u>Rights of ACOA</u>	8
<b>6.0</b>	<b>Monitoring of Approved Projects</b>	8
6.1	<u>Milestones</u>	8
6.2	<u>Reporting</u>	9

6.3	<u>Success Indicators</u>	9
<b>7.0</b>	<b>Other Government Programs</b>	9
7.1	<u>Other Federal Departments and Agencies</u>	9

Annex “A” - Atlantic Innovation Fund, Program Terms and Conditions

Annex “B” - Model/Guidelines for Submission of Project Proposals

Annex “C” - Administration and Declaration Forms

Annex “D” - General Conditions of the Contract

Annex “E” - List of Possible Success Indicators for Evaluation Purposes

Annex “F” - Financial Templates

**Request for Project Proposals  
Atlantic Innovation Fund Program  
Atlantic Canada Opportunities Agency (ACOA)**

## **1.0 Introduction**

On June 29, 2000, the Prime Minister of Canada announced funding for an Atlantic Innovation Fund (AIF) to strengthen the economy of Atlantic Canada by accelerating the development of knowledge-based industry. The AIF will help increase the region's capacity to carry out leading-edge research and development that directly contributes to the development of new technology-based economic activity in Atlantic Canada.

The AIF program will be funded at \$300 million over five years beginning in the 2001/2002 fiscal year.

The objectives of AIF are to:

- increase activity in and to build capacity for innovation, research and development (R&D) which leads to technologies, products, processes or services which contribute to economic growth in Atlantic Canada;
- increase the capacity for commercialization of R&D outputs;
- strengthen the region's innovation capacity by supporting research, development, and commercialization partnerships and alliances among private sector firms, universities, research institutions and other organizations in the Atlantic system of innovation, and to increase their critical mass; and
- maximize benefits from the national R&D programs.

In order to maximize economic benefit to Atlantic Canada, it will be important that AIF investments focus on areas where there is the best opportunity for future growth, based on the region's capability to address global market opportunities. This will be found in sectors where Atlantic Canada has a comparative advantage, and in the development of clusters concentrated in emerging knowledge-based economy activities. Atlantic Canada has demonstrated an emerging capability in a number of sectors which have strong global growth prospects, including information technology, such as communications and geomatics; ocean technologies; aquaculture; bio-technology; health and medical technologies; and environmental technologies. AIF investments will also strengthen the region's ability to develop technologies that allow resource industries such as oil and gas, agriculture and agri-food, fisheries, forestry and mining to maintain and increase their competitive positions.

The AIF will contribute to the development of the Atlantic system of innovation and will encourage collaboration, between the private sector and research institutions, and between institutions. It will not operate on a provincial basis or include allocations on a province by province basis.

## **2.0 Program Description**

### **2.1 General**

The AIF will finance research and development and related initiatives, which are focussed in the area of natural sciences; applied sciences; and social sciences and humanities where these are linked to the development of technology-based products, processes or services or their commercialization, and thereby strengthen the region's system of innovation. The AIF will focus on increasing research and development linked to economic development and commercialization in areas that are of strategic importance to the region, particularly those that support the growth of strategic sectors and clusters. Related initiatives will emphasize building the Atlantic system of innovation, including those components that bridge the gap between research institutions and the marketplace, and encouraging synergies among the various components of this system through partnerships, alliances and networks.

### **2.2 Terms and Conditions**

Attached as **Annex “A”** are the Terms and Conditions for the administration of the AIF program which provide details regarding the AIF program in addition to those set out below.

### **2.3 Eligible Recipients**

ACOA encourages prospective stakeholders including universities, colleges, research organizations, private sector firms and individuals to take an active role in seeking out opportunities for joint investment under the AIF program. There may be important reasons for such organizations to build research capability and commercialization opportunities that match their respective interests. It is envisioned that projects will be developed through a collaborative process among private sector and institutional stakeholders. Such collaboration will maximize the economic benefit of the resources available under the AIF, and enhance commercialization success.

**(NOTE: Proposed commercial projects seeking a contribution of \$500,000 or less are not eligible for assistance under the Atlantic Innovation Fund. Such proposed commercial projects may be eligible for assistance under ACOA’s Business Development Program.)**

#### 2.4 Repayability

The federal repayable contribution policy is based on the premise that when a business, as a result of a contribution from the Government of Canada, earns a profit or otherwise increases in value, the business should return the contribution to the government. Accordingly, contributions to the private sector that involve the commercialization of a technology, product, process or service will be conditionally repayable based on the commercial success of the project. Contributions to non-commercial organizations will be non-repayable.

#### 2.5 AIF Level of Assistance

Contributions will be the least amount required to allow a project to proceed. AIF will provide assistance up to 75% of total eligible costs for commercial private sector projects. For projects undertaken by not-for-profit organizations, AIF assistance will normally be up to 80% of total eligible costs. Proponents should lever financing for their projects from other (non-ACOA) sources.

#### 2.6 Intellectual Property

ACOA will not seek ownership of any intellectual property. In general, any intellectual property arising from the technology developed from the initiative will vest in the proponent and/or the collaborators. The university, college or research institute should have an intellectual property policy that encourages and supports the commercialization of R&D in Atlantic Canada. Before a first disbursement, a proponent must submit an intellectual property policy and/or agreement with project partners that is acceptable to ACOA.

#### 2.7 Environmental Assessment

All proposed AIF projects will be subject to appropriate environmental screening/assessment under the Canadian Environmental Assessment Act.

### **3.0 Guidelines for Proposals**

#### **3.1 Request for Project Proposals (RFPP) Process**

AIF will operate using a Request for Project Proposals (RFPP) process to seek project proposals. The RFPP process is a method of obtaining a pool of qualified projects which will be considered for funding. The RFPP is not a contracting process and neither the proponent nor ACOA is legally bound as a result of submission of a proposal under this process.

The amount of funding set aside for each RFPP, and the frequency of the RFPPs will be determined as the implementation of the Fund proceeds.

#### **3.2 Proposal Content Guidelines**

Detailed proposals should be prepared by referring to and using the proposal content guidelines articulated in **Annex “B”**.

#### **3.3 Support for Preparation of Proposals**

The AIF will not provide up-front financial assistance for preparation and submission of project proposals. Projects which are retained for funding consideration, and which require additional elaboration, may be eligible, on a selective basis, for funding of reasonable costs for further project development.

#### **3.4 Proposal Evaluation**

Project proposals will be assessed against essential and desirable eligibility criteria.

##### **(i) Essential Eligibility Criteria**

The following are essential criteria which **must** be met for consideration of project proposals under AIF. Each proposal **must**:

- a) be compatible with the AIF purpose and objectives;
- b) be scientifically and/or technically sound;
- c) demonstrate management capability to successfully undertake the project;
- d) demonstrate significant economic benefits for Atlantic Canada;
- e) address ultimate commercialization potential of project;
- f) support new or improved technologies or new applications of technologies;
- g) have adequate financing for the duration of the project;
- h) be incremental; and
- i) support one or more strategic sectors or technologies.

(ii) Desirable Criteria

In addition to essential criteria, the following desirable criteria are key considerations in the evaluation of proposals under AIF:

- a) includes private sector participation (for institutional proposals);
- b) fills a gap in the Atlantic system of innovation;
- c) improves innovation capacity of the private sector;
- d) is pan-Atlantic in scope;
- e) builds critical mass through networks/cooperation of existing and/or additional talent (researchers);
- f) leverages funding from other public and private sector sources;
- g) attracts new firms, institutions and researchers to Atlantic Canada;
- h) builds on research excellence; and
- i) fosters national and international affiliations.

Failure of a proponent to provide information in sufficient detail and depth to permit a complete requisite evaluation against at least the essential criteria will render a proposal non-compliant, and it may result in funding not being offered. This does not prevent a proponent from submitting further proposals during a later RFPP.

Proponents are advised to address these criteria in sufficient depth and clarity in their proposal to permit a complete requisite analysis and assessment.

Proponents are also advised to use the proposal content guidelines in Annex “B” to ensure that all criteria have been addressed.

## **4.0 Evaluation Process**

### **4.1 The Detailed Evaluation Stage**

Prior to review by the AIF Advisory Board, ACOA will analyse project proposals against both essential and desirable criteria, to an appropriate degree commensurate with the size and complexity of proposed projects.

### **4.2 Technical Review**

ACOA may consult with or refer any proposal to external technical experts to assist with project review/evaluation. The proponent’s signature on the Declaration form in Annex “C” will constitute consent regarding sharing of information.

#### 4.3 Proponents' Responsibilities during Evaluation

The proponent acknowledges and understands that they may be required to perform any or all of the following activities to assist ACOA in evaluating project proposals. The proponent further understands that the performance of any or all of the following in no way guarantees that a proposal will be approved by the Minister:

- (a) reviewing requirements identified in the RFPP, seeking clarifications, preparing and submitting proposals that provide all of the information required, in accordance with all instructions of the RFPP; and,
- (b) providing supplementary data or clarifications as requested by ACOA, making personnel available for interviews by ACOA.

#### 4.4 Project Approval

The AIF Advisory Board will review all AIF project proposals and provide advice on acceptance and funding to the Minister. Final decision-making authority for project approval rests with the Minister. The Minister reserves the right to accept or reject any proposal. Proposals may be approved in whole or in part. In the case of similar competing proposals, the Minister may encourage proponents to collaborate and/or may select one proposal only. Proponents of rejected proposals may have an opportunity to revise their proposal for submission to a future request for project proposals.

#### 4.5 The Contract

The legal obligation of the parties will come into force only when a proponent enters into a project-specific contribution agreement with ACOA under the AIF. This agreement will define the investment from the Atlantic Innovation Fund, the level of support from other investors, and the roles and responsibilities of ACOA and the successful proponent. The General Conditions which will form part of the contract are set out in **Annex “D”**.

### **5.0 General Procedures**

#### 5.1 Language

Proposals may be submitted in either of Canada's official languages, English or French.

## 5.2 Submission

The project proposal must be submitted to the Head Office of the Atlantic Canada Opportunities Agency in Moncton, New Brunswick either electronically via the Internet at <http://www.acoa-apeca.gc.ca> or by mail or courier. Fax copies or e-mail attachments will not be accepted. If sent electronically, ACOA will provide an electronic confirmation of receipt. If confirmation is not received, a proponent must follow-up with ACOA. If sent by mail or courier, the proposal must be marked: **Atlantic Innovation Fund - Response to Request for Project Proposals**, and an electronic copy of the proposal must be included on a diskette in either Word, WordPerfect or Rich Text Format. Acknowledgement of ACOA's receipt of postal proposals will be mailed from ACOA's AIF Secretariat to respective proponents. Please see Annex "B" for more details.

A proposal submitted electronically is deemed to be sent from the proponent's principal place of business and will be received at ACOA's Head Office in Moncton, New Brunswick.

To ensure confidentiality of transmission, a proposal submitted on-line will be by way of secure socket layer. To initiate the process, proponents are asked to contact their respective ACOA regional official indicated in Section 5.4 below. For more info, refer to the on-line instructions at <http://www.acoa-apeca.gc.ca>.

## 5.3 Closing Date

- (a) Project proposals prepared in response to this RFPP of June 22, 2001 must be received by **4:00 p.m. on Friday, September 28, 2001**, the closing date.
- (b) Proposals will not be accepted after the closing date.
- (c) ACOA will return proposals received after the stipulated project proposal solicitation closing date.
- (d) Timely receipt and correct direction of a proposal is the responsibility of the proponent. ACOA will not assume or have transferred to it these responsibilities.

## 5.4 Enquiries and Requests for Clarification

Information provided verbally shall not be binding upon ACOA. Proponents will receive written confirmation from ACOA of any additions, deletions or amendments, etc., concerning their proposal.

Proponents are invited to telephone ACOA officials if there are any questions related to this RFPP or for advice in preparing proposals. Contacts are:

Mr. Daryell Nowlan at 1-800-561-4030 in Fredericton, New Brunswick;  
Mr. Iain Stewart at 1-800-565-1228 in Halifax, Nova Scotia;  
Mr. Wendell MacGillivray at 1-800-705-3926 in Sydney, Nova Scotia;  
Mr. Gerard Watts at 1-800-871-2596 in Charlottetown, Prince Edward Island;  
Mr. Clayton Higdon at 1-800-668-1010 in St. John's, Newfoundland; or  
Mr. Brent Carter at 1-800-561-7862 at the AIF Secretariat in Moncton, New Brunswick.

#### 5.5 Rights of ACOA

ACOA reserves the right to enter into negotiations with a proponent on any or all aspects of its proposal; and, cancel and/or reissue this RFPP at any time.

### 6.0 **Monitoring of Approved Projects**

#### 6.1 Milestones

For most projects, the proponent will be required to divide the project into a predetermined set of phases or milestones. No two projects would have exactly the same phases but, for illustrative purposes, the following are typical phases for a product development project:

1. Preliminary investigation - determines the project's technical and economic merits;
2. Detailed investigation - develops the business case that defines the product and verifies the attractiveness of the project before heavy spending in the development phase;
3. Development - emphasizes technical work, while marketing and manufacturing activities also proceed in parallel (e.g., deliverable could be a lab-tested prototype);
4. Testing and validation - tests and validates the entire project including the product, the production process, customer acceptance and the economics; and
5. Full production and market launch - involves putting the marketing launch plan and production plan in motion.

(NOTE: The research and development activities referenced above are eligible under the AIF; however, other activities, such as marketing, are not eligible for AIF financing. Other programs, like ACOA's Business Development Program, may be able to assist proponents in this regard.)

## 6.2 Reporting

In cases where clear milestones or phases can be identified, reporting will coincide with each phase. In cases where clear milestones cannot be identified, it may be necessary to establish regular reporting similar to the following:

- Progress reports (including a final report) - would contain an assessment of whether the project is on schedule and within budget, and an explanation of any variances; a description of the technical progress of the work; a summary of the progress achieved towards developing a commercialization plan; a description of any problems encountered and prospective solutions; identification of any corporate and in-kind contributions made during the reporting period; and a brief summary of proposed work for the following reporting period; and
- Project review meetings - generally, would be convened on an as required basis. However, to assist in monitoring of complex projects, a formal multi-disciplinary monitoring committee comprised of an ACOA Account Manager(s) and recognized technical expert(s) may be established.

## 6.3 Success Indicators

The Government of Canada will evaluate the results of the AIF. Accordingly, recipients of AIF program funding will be expected to provide ACOA with data that will contribute to the evaluation of AIF's activities. Attached, as **Annex "E"**, is a list of success indicators at the project and institutional level. Proponents are asked to complete this, as applicable, and attach it as an appendix to their project proposal.

## 7.0 **Other Government Programs**

Some proposed projects may be eligible under other government programs and these should be considered prior to preparing a proposal for funding under the AIF.

### 7.1 Other Federal Departments and Agencies

The Government of Canada offers other programs to promote research and development across Canada. These include, for example, the Canada Foundation for Innovation, the National Sciences and Engineering Research Council and the Social Sciences and Humanities Research Council. Certain commercial projects may be eligible for assistance under the National Research Council's Industrial Research Assistance Program, Industry Canada's Technology Partnerships

## ANNEX “A”

### TERMS AND CONDITIONS ATLANTIC INNOVATION FUND PROGRAM

#### 1. Purpose

The purpose of this document is to set forth the terms and conditions for the administration of contributions under the Atlantic Innovation Fund Program.

#### 2. Definitions

“ACOA” and “Agency” means the Atlantic Canada Opportunities Agency.

“Minister” means the Minister responsible for the Atlantic Canada Opportunities Agency and may include the Minister of State for ACOA, as authorized by the Minister, and other persons as authorized by the Minister to act on his/her behalf.

“Fiscal Year” means the period commencing on April 1 of any year and terminating on March 31 of the immediately following year.

“Atlantic Investment Partnership” (AIP) means a \$700-million, five-year federal initiative announced by the Prime Minister of Canada on June 29, 2000. The AIP is a mix of strategic investments and initiatives in innovation, trade and investment, entrepreneurship and skills development, and community economic development.

“Atlantic Innovation Fund” (AIF) means a \$300 million, five year, federal program within the Atlantic Investment Partnership framework, established pursuant to sub-section 13(g) of the Atlantic Canada Opportunities Agency Act to address the Atlantic region’s innovation gaps.

“Innovation” means a process through which economic value is extracted from knowledge through the generation, development and implementation of ideas to produce new or significantly improved products or processes.

“Pan Atlantic” means an area of coverage of a project containing at least two and preferably all Atlantic provinces. This area of coverage refers to the scope of a project, either in terms of the reach of its intended benefits (e.g., specific clients and/or general economic benefits) or in terms of the participants in the project (e.g., a group of research institutions and/or private sector firms or associations) or both.

“*AIF Advisory Board*” means the members appointed by the Minister pursuant to Section (5)3 of the Atlantic Canada Opportunities Agency Act, to review project proposals and to provide advice and recommendations to the Minister.

“*Request for Project Proposals*” means a process by which eligible applicants will be able to submit proposals to compete for AIF funding of a project.

“*Incremental*” means new or additional activities over and above existing/ongoing activities that cannot proceed without funding from AIF. The project is such that it cannot be supported in-house, it cannot attract sufficient outside financing, or the project is too risky to be undertaken using internal financial resources.

“*Strategic Sectors/Technologies*” means those sectors and technologies in which Atlantic Canada possesses a comparative advantage or potential to create such an advantage.

“*Economic Benefits*” means benefits that can be measured in the short, medium and long term by a pre-determined set of indicators including new research competencies in strategic sectors, the development of new or improved products, processes, technologies or services, or the use of R & D results in industry with resulting new business start-ups and jobs.

“*Project*” means an undertaking as described in section 5.

“*Research and Development*” (*R&D*):

- Research means the planned search or critical investigation aimed at the discovery of new knowledge or new application of existing knowledge, with the objective that such knowledge may be useful in developing new products, processes, technologies or services, or in bringing about significant improvements to existing products, processes, technologies or services.
- Development means to convert research findings into a plan, blueprint or design for new or improved products, processes, technologies or services; initial demonstration or pilot project and prototype; and other related pre-production activities.

“*Natural Sciences*” means such disciplines as biology, chemistry, physics, life sciences and ocean sciences.

“*Applied Sciences*” means such disciplines as engineering and computer science.

“*Social Sciences*” means such disciplines as sociology and psychology.

“*Humanities*” means such disciplines as philosophy, arts and languages.

“*Commercialization*” means the process of introducing new products, processes, technologies or services to the marketplace.

“*System of Innovation*” means the set of institutions, firms, linkages and interactions which determine the innovation performance of firms and organizations.

### **3. Program/Legislative Authority**

The authority for this program is pursuant to sub-section 13 (g) of the *Atlantic Canada Opportunities Agency Act* and Cabinet approval in June 2000 (RD 20/07/00).

### **4. Objectives**

The objectives of the AIF program are:

- to increase activity in and to build capacity for innovation, research and development (R&D) which leads to technologies, products, processes or services which contribute to economic growth in Atlantic Canada;
- to increase the capacity for commercialization of R&D outputs;
- to strengthen the region’s innovation capacity by supporting research, development and commercialization partnerships and alliances among private sector firms, universities, research institutions and other organizations in the Atlantic System of Innovation, and to increase their critical mass; and
- to maximize benefits from the national R&D programs.

A combination of the following are among key considerations in meeting the AIF objectives:

- includes private sector participation (for institutional proposals);
- fills a gap in the Atlantic System of Innovation;
- improves innovation capacity of private sector;
- is Pan-Atlantic in scope;
- builds critical mass through networks/cooperation of existing and/or additional talent (researchers);
- leverages funding from other public and private sector sources;
- attracts new firms, institutions and researchers to Atlantic Canada;
- builds on research excellence; and
- fosters national and international affiliations.

## **5. Program Description**

The Minister may make a contribution in support of R&D projects and related initiatives which are focussed in the area of natural sciences; applied sciences; and social sciences and humanities where these are linked explicitly to the development of technology-based products, processes or services or their commercialization, and thereby strengthen the region's System of Innovation. The AIF shall focus on increasing Research and Development linked to economic development and commercialization objectives in areas that are of strategic importance to the region, particularly those that support the growth of Strategic Sectors/Clusters. Related initiatives will emphasize building the Atlantic System of Innovation, including those components that bridge the gap between research institutions and the marketplace, and encouraging synergies among the various components of this system through partnerships, alliances and networks.

## **6. Eligible Recipients**

Eligible recipients include commercial and non-commercial entities such as, but not limited to, universities, colleges, other post-secondary educational institutions, business associations, research institutions and private sector firms.

Federal departments, including federal research laboratories and institutes, and provincial government departments are not eligible recipients.

## **7. Stacking Provisions**

Contributions shall be negotiated to be the least amount required to allow a project to proceed and shall conform to the Treasury Board Policy on stacking. The level of assistance to non-commercial applicants from the AIF shall not exceed 100% of total eligible costs. However, only on an exceptional basis would the maximum contribution exceed 80% of total eligible costs, and 30% of the eligible costs of new buildings and major renovations. The level of assistance to commercial applicants from all government sources shall not exceed 75% of total eligible costs.

In a case where assistance exceeds Total Government Assistance, the amount to be repaid will be calculated as the difference between total assistance from all levels of government and 75% of the total estimated project cost for commercial projects or such other percentages as applicable for non-commercial projects. Any amount to be repaid will be established as an account receivable.

Financial statements will be obtained from recipients to disclose all government assistance received for the project.

## **8. Request for Project Proposals**

Implementation shall normally be delivered through the Request for Project Proposals process of the Atlantic Innovation Fund. The Request for Project Proposals shall be opened to eligible recipients as per Section 6.

Proposals for commercial projects with the contribution amount of \$500,000 or less are not eligible under AIF.

## **9. Application Requirements**

The Request for Project Proposals will provide potential applicants with detailed guidelines for preparing project proposals under the Atlantic Innovation Fund. A project proposal will include a description of the proposed project, a description of the applicant including any partners, the project team and management structure, the technical proposal, commercialization potential, economic benefits and financial information.

Essential criteria for consideration of project proposals are as follows:

- must be compatible with the AIF objectives;
- must be scientifically and/or technically sound;
- must demonstrate management capability to successfully undertake the project;
- must demonstrate significant economic benefits for Atlantic Canada;
- must address ultimate commercialization potential of project;
- must support new or improved technologies or new applications of technologies;
- must have adequate financing for the duration of the project;
- must be incremental; and
- must support one or more Strategic Sectors/Technologies.

All contributions approved by the Minister shall be in compliance with the Post-Employment provisions of the Conflict of Interest and Post-Employment Code for Public Office Holders and for the Public Service.

## **10. Eligible Costs**

Eligible costs shall include all reasonable incremental costs deemed essential for the implementation of the project including the following:

- incremental wage and salary costs including payroll burden of personnel directly associated with the project;
- equipment, installation costs, and software required for the project; and,
- operating costs for the project including travel and direct overhead costs.

Eligible costs exclude costs of land and goodwill. Also excluded are asset costs in excess of fair market value.

**11. Maximum Amount Payable**

The AIF will normally be based on a Request for Project Proposals process. The AIF will encourage collaboration between proponents; per project and per proponent limits would work against this by imposing arbitrary limits that may conflict with the program's objectives.

The maximum contribution to any AIF project will not exceed \$10 million, unless otherwise approved by Treasury Board.

**12. Approval**

The Minister has the authority to approve projects. The AIF Advisory Board shall provide the Minister with substantive recommendations on strategic directions and specific project proposals.

Members of the AIF Advisory Board shall be appointed by the Minister, pursuant to Sub-Section 5(3) of the *Atlantic Canada Opportunities Agency Act*.

**Financial Signing Authorities**

**Spending Authority**

Certification of the Availability of Funds (Section 32 of Financial Administration Act)

Authority to certify funds are available and to record commitment is delegated to positions as listed in the following table.

Expenditures Initiation

Authority to sign contribution agreements (initiate expenditures) is delegated to positions as listed in the following table.

Contract Performance (Section 34 of Financial Administration Act)

Authority, to certify that payments are in accordance with the terms and conditions of a contribution arrangement, is delegated to positions as listed in the following table.

Payment Authority

Payment Authority (Section 33 of Financial Administration Act)

Authority to requisition payments is delegated to positions as listed in the following table.

<b>ATLANTIC INNOVATION FUND PROGRAM</b> <b>FINANCIAL SIGNING AUTHORITIES</b>			
<b>SPENDING AUTHORITY</b>			<b>PAYMENT AUTHORITY</b>
<b><u>Certification of Availability of Funds - Section 32 of FAA</u></b>	<b><u>Expenditure Initiation</u></b>	<b><u>Contract Performance - Section 34 of FAA</u></b>	<b><u>Payment Authority - Section 33 of FAA</u></b>
Vice-President, Policy and Programs	Vice-President, Policy and Programs	Vice-President, Policy and Programs	Vice-President, Policy and Programs
Regional Vice-Presidents	Regional Vice-Presidents	Regional Vice-Presidents	Regional Vice-Presidents
Director General, Programs	Director General, Programs	Director General, Programs	Director, Finance and Corporate Services
Director, Innovation or equivalent	Director, Innovation or equivalent	Director, Innovation or equivalent	Chief, Corporate Accounting
Senior Advisor, Financial Services or equivalent			Director of Operations or equivalent
Administrative Assistant or equivalent			Senior Advisor, Financial Services or equivalent

### **13. Basis and Timing of Payment**

Contributions shall be administered and paid in accordance with contribution agreements which shall identify all conditions pertaining to the contributions, the expected results to be achieved, the obligations of both parties involved and the conditions under which payments and repayments shall be made in accordance with the Treasury Board Policy on Transfer Payments.

The Minister may pay a contribution in the form of an advance, progress payment(s) during the project and/or in a final payment following the completion of the project provided that the project has proceeded, or is proceeding, to the satisfaction of the Minister.

Normally, payments are based on a reimbursement of eligible costs identified in the contribution agreement and advance payments will be in accordance with the Policy on Transfer Payments - Appendix B: Installment Payments of Grants and Advance Payments of Contributions.

All payments shall be made in accordance with Treasury Board policies and procedures.

Any deviation from Treasury Board policies will require Treasury Board approval.

#### **14. Repayable Contributions**

All contributions approved by the Minister shall conform to the Treasury Board Policy on Transfer Payments. Contributions to the private sector that involve the commercialization of a product, process, technology or service shall be conditionally repayable based on successful commercialization of the project. Contributions to non-commercial organizations shall be non-repayable.

The Agency's Corporate Finance and Program systems will be used to assist Account Managers with verification of invoice dates, appropriate follow-up on overdue accounts, viability reviews, collections or rescheduling decisions, and referring defaulted accounts to the Recovery Unit. To facilitate collection, the use of pre-authorized debit (PAD) will be mandatory for all repayable contributions. In addition, each project will be risk-rated so that appropriate due diligence can be carried out.

#### **15. Duration**

**15.1** The AIF shall exist for a period of five years commencing in fiscal year 2001/02 and ending in fiscal year 2005/06 and payments made by March 31, 2006.

**15.2** These Terms and Conditions shall apply during the life of the AIF, including its wind-up period.

15.3 Notwithstanding the provision of this section, all provisions of the AIF necessary to permit its orderly winding up shall remain operative until all obligations have been discharged.

15.4 The final date of approval of projects under the AIF shall be March 31, 2005.

## **16. Due Diligence**

The Agency gives its assurance that departmental systems, procedures and resources for ensuring due diligence in verifying eligibility and entitlement, approving transfer payments, managing the Requests for Project Proposals process, and management and administration of the program, are in place.

All projects will be subjected to a rigorous due diligence process. This will involve an evaluation of the economic benefits of each proposal and the recommended funding level, and will be consistent with the federal government's economic policies and strategic priorities.

## **17. Results-Based Management and Accountability Framework**

An accountability framework is attached as Appendix A. This includes performance indicators, expected results and outcomes, methods for reporting on performance and expenditures, evaluation criteria and an evaluation plan to be used for determining the effectiveness of the program.

## **18. Audit Framework**

A risk-based framework for the audit of recipients of contributions is attached as Appendix B. This framework includes an internal audit plan and the proposed budget for the application of this framework.

## **19. Other Terms and Conditions**

AIF will not support commercial R&D projects with total proposed contributions of

\$500,000 or less. These will continue to be eligible under the ACOA Business Development Program, and will be assessed and processed under the Terms and Conditions for this program.

All contributions approved by the Minister shall conform with the requirements of all applicable federal and provincial government regulatory regimes including, but not limited to, the federal Canadian Environmental Assessment Act (CEAA) and the Official Languages Act.

All contributions approved by the Minister shall conform to the Federal Identity Program and the Agency's Sustainable Development Strategy.

All AIF contribution agreements will include provisions for cancellation or reduction of transfer payments in the event that funding levels are changed by Parliament.

Costs of managing and administering the program will be approximately \$15 million and will be sourced from the transfer of funds from Human Resources Development Canada and from the fiscal framework as per the Cost and Source of Funds Table in the Treasury Board Submission.

Attachments

Appendix A - Results-Based Management and Accountability Framework

Appendix B - Audit Framework

**ANNEX “B”**

**MODEL/GUIDELINES FOR SUBMISSION OF PROJECT PROPOSALS**

*to be used by proponents*

**In the first Request for Project Proposals under the  
Atlantic Innovation Fund**

*Closing date: September 28, 2001*

## GUIDE FOR SUBMISSION OF PROJECT PROPOSALS

### 1. Purpose of document

This document is to be used as a model. It provides concrete information on the mandatory elements to be included in any proposal. The document also provides information on the criteria to be used by ACOA and the AIF Advisory Board in evaluating any proposal.

### 2. Submission of proposal

The proposal, marked Atlantic Innovation Fund - Response to Request for Project Proposals, should be sent no later than by **4:00 pm on September 28, 2001** either electronically via the Internet (secured socket layer) at <http://www.acoa-apeca.gc.ca> (e-mail attachments will not be accepted) or by mail or courier (fax copies will not be accepted) to:

*Mailing Address:*

ACOA  
P. O. Box 6051  
644 Main Street  
E1C 9J8

*Courier Address:*

ACOA  
Blue Cross Centre  
644 Main Street, 3<sup>rd</sup> Floor  
Moncton, N. B.

If a proposal is to be sent electronically, please refer to the ACOA Web site for instructions. A template for the preparation of project proposals is also available for download.

If to be sent by mail or courier, include an electronic copy of the proposal on a diskette using the above-referenced template. Currently, however, this template is only available in Word. Therefore, if a proponent is not using Word, submit the proposal in either WordPerfect or Rich Text Format.

### 3. Format

Project proposals must be complete, clear and concise. A thorough proposal could be prepared in as few as 15 pages, but should not normally exceed 35-40 pages. Proposals should be submitted using the following format:

Paper format: 8½" X 11"

Font size for text: 12 point

Pages are to be numbered.

Page foldouts, schematics, drawings, etc. may be included or attached for clarity of presentation.

#### **4. Marking confidentiality of proponent's information**

All information regarding the terms and conditions, financial and/or technical aspects of a proponent's proposal, which in a proponent's opinion is of a proprietary or confidential nature should be clearly marked "PROPRIETARY" or "CONFIDENTIAL" at each relevant item or page or in a statement covering an entire proposal.

Should a proponent provide the requested information to ACOA in confidence while indicating that the disclosed information is confidential, then ACOA will treat the information in a confidential manner, unless otherwise required by the *Access to Information Act* and the *Privacy Act*.

#### **5. Form of Proposal**

##### **5.1(a) Title Page**

###### **PROJECT NAME OR TITLE**

*Under the first Request for Project Proposals under the Atlantic Innovation Fund*  
*Submitted by proponent*

##### **5.1(b) Executive Summary**

The executive summary is a representative summary of the information included in the proposal and should be suitable for distribution as a stand alone document. The executive summary must not exceed two (2) pages.

It should include the following elements:

- project description (in plain language for communications purposes, e.g., news release, if project is approved), including the technology to be developed, technical risks, its commercial application, and project benefits;
- description of proponent (organization);
- description and roles of partner(s) or alliance member(s);
- project cost - breakdown of costs and total cost;
- funding structure - amount of financial assistance requested from the AIF program and other sources of funding; and
- project time lines.

##### **5.1(c) Administration and Declaration Forms**

Attached, as **Annex “C”**, is an administration form for the proponent to complete and a declaration form for the proponent to sign. The administration form will include, among other things, the name and address of the proponent, the name and telephone number of the representative for the proponent who may be contacted for clarification or other matters relating to the proponent’s proposal, and the name(s) of qualified independent experts who ACOA could consider engaging to critique the proponent’s proposal. The declaration form must be signed by the authorized representative of a proponent empowered to bind a proponent to the statements made in response to this RFPP.

## 5.2 Project Description

This section should include an operational and technical description of the proposed project and its contribution to the objectives of the Atlantic Innovation Fund. The description should include an outline of the work to be undertaken, the specific geographic and/or SME focus area, an indication of the nature and degree of risk involved, and potential markets for the resulting product, process or service.

## 5.3 Managerial Proposal

The managerial proposal must outline the project team and proposed management structure, including the function and responsibilities of partners. The proponent and partners should have strong project management and technical development skills. Where weaknesses exist, remedial measures should be explained. The managerial proposal should address the following:

- (a) Description of Proponent and Partners - each of the organizations involved in the project should be briefly described in terms of their name and legal status; size of the organizations involved (e.g., in terms of annual sales or operating budget, and number of employees); area of specialization and proposed role in connection with the project; and historical track record in R&D, technology development and commercialization, particularly as this relates to the proposed project. Also, indicate where the work would be performed.
- (b) Partnership Arrangements - outline the partnership arrangement(s) that would be utilized to add financial and/or technical support to the project and/or to enhance commercialization success and market penetration. Indicate the strategic assets each partner arrangement brings to the project. Partner(s) should actively participate in the project or have a direct and material influence on the project’s direction. Letters of agreement, memoranda of understanding and/or other partnership agreements would be included as an appendix to the proposal. (Do not attach corporate brochures or annual reports.)

- (c) Team Organization - outline the relationship of the project team to the organization by including an organization chart which illustrates the structure of the proposed project team.
- (d) Project Team - name the Project Manager, the key members of the project team and state their specific qualifications and experience for the work involved. Highlight the unique expertise each offers to enhance the capability of the team to perform the work. Indicate provisions for back-up personnel for key positions. Detailed résumés and references must be included in an appendix.
- (e) Project Control System - project management is an important consideration. Good project management helps to avoid schedule compression in the final phase of a project. Outline the methods and system to be used to control tasks, the schedule and costs.

#### 5.4 Technical Proposal

The technical proposal must completely describe the proposed project. It should address the following:

- (a) Project Objectives - a concise statement of the technical objectives of the project in terms of functionality and performance.
- (b) Proposed Technology-Based Product, Process or Service - describe and/or define the proposed technology-based product, process or service and the underlying technology, including a description of the overall problem, an overview of the background context, a description of the expected results, any derivative applications and whether it is a technology/product update or a completely new technology/product. If the proposal involves a service, describe any technologies to be utilized or adapted.
- (c) Methodology - state the approach and methodology to be used to develop the technology-based product, process or service and to meet the project objectives, including any plans or measures to limit technical risks. Address the availability of equipment and facilities to support the methodology.
- (d) Technical Risk Assessment - in order to develop applications of advanced technologies through technology-based products, processes and services, some risk has to be assumed. In general, the degree of risk is related to the level of technical innovation and the level of planning effort. The extent to which higher technical risks are acceptable is dependent upon how well they have been identified, defined, assessed, planned for and managed, once encountered. Describe the technical risks involved, any issues in the technology being employed or product, process or service developed, as well as the major assumptions upon which the project is based.
- (e) Work plan and Schedule - the work plan should clearly identify the key or major tasks to be accomplished, milestones and deliverables. The work plan must also account for the

time to be spent by each team member on the project. The summary schedule should relate key tasks, milestones and deliverables to a project timetable and clearly identify target dates for completion.

(f) Intellectual Property - for any technologies to be transferred into the project and/or technology to be developed, describe the intellectual property arrangements.

## 5.5 Economic Benefits and Commercialization

In this section, the proponent should provide as much information as possible on the economic benefits and the ultimate commercialization potential resulting from the proposed project.

With respect to economic benefits:

(a) Identify, describe and quantify, where possible, the level and stream of direct and indirect economic benefits (e.g., job creation, exports, strategic sector, impact on economy, etc.) in the short, medium and long term to the Atlantic region as a result of public investment in the proposed project. Also, describe the economic benefits associated with commercialization. Be as specific as possible.

With respect to the ultimate commercialization potential, address at least the following:

(a) Market Assessment - provide a brief description of the proposed project's resulting technology-based product(s)/process(es)/service(es) for which there is commercial potential. Indicate what market needs would be addressed, the market size, the players in this market and the competitive advantage of the technology-based product(s)/process(es)/service(es). Provide an outline of the major challenges to market penetration. The objective is to provide information that will allow for the assessment of the potential of the project to ultimately achieve successful market penetration.

(b) Strategic Advantages - as it is important to assess the likelihood of ultimate commercialization, provide information on any strategic advantages (e.g., a private sector affiliation with a company already selling or producing products for the targeted market; a private sector commitment in terms of dollars; past success at commercializing research; established distribution strategy; etc.).

## 5.6 Financial Proposal

This section must include the details on proposed project costs and project financing. **Annex “F”** includes templates illustrating how this information should be presented. The

templates also require the proponent to provide, on separate pages, details on each category of costs and sources of funding.

The labour element is a major portion of the project costs and a breakdown is required in a specific format which has been specified in Annex “F”.

In addition, proponents should clearly demonstrate their ability to finance their current operations and any follow-up activities, such as a commercialization phase. For non-commercial proponents, this requirement could be satisfied with financial commitments from project partners. For commercial proponents, provide three year projected statements for the company including Cash Flow Statement, Income Statement, and Balance Sheet. Key assumptions which make up the projections should be included.

As an appendix, include letters of commitment, such as a Memorandum of Understanding from financial partners, and year-end financial statements.

It should be noted that expenditures and cost commitments incurred prior to ACOA’s receipt of a proponent’s project proposal are not eligible in calculating AIF program financial assistance. For projects that are approved, eligible expenditures and cost commitments incurred prior to project approval, but after ACOA’s receipt of the project proposal, would be included in determining the level of contribution from AIF. Should a proponent proceed with a project, in whole or in part, prior to receiving a decision from ACOA, it would be at a proponent’s financial risk.

## 5.7 Self-assessment of Eligibility Criteria

As referenced in Section 3.4 of the main body of this RFPP, project proposals will be assessed against essential and desirable eligibility criteria. Essential criteria which **must** be met for consideration of proposals are as follows. Each proposal **must**:

- be compatible with the AIF purpose and objectives;
- be scientifically and/or technically sound;
- demonstrate management capability to successfully undertake the project;
- demonstrate significant economic benefits for Atlantic Canada;
- address ultimate commercialization potential of project;
- support new or improved technologies or new applications of technologies;
- have adequate financing for the duration of the project;
- be incremental; and
- support one or more strategic sectors/technologies.

In addition to essential criteria, the following desirable criteria are key considerations in the evaluation of proposals under AIF:

- includes private sector participation (for institutional proposals);
- fills a gap in the Atlantic system of innovation;

- improves innovation capacity of the private sector;
- is pan-Atlantic in scope;
- builds critical mass through networks/cooperation of existing and/or additional talent (researchers);
- leverages funding from other public and private sector sources;
- attracts new firms, institutions and researchers to Atlantic Canada;
- builds on research excellence; and
- fosters national and international affiliations.

Proponents must be able to demonstrate under sections 5.2 to 5.7 above how the proposed project meets the essential eligibility criteria, and as many of the desirable criteria as possible.

Failure of a proposal to provide information in sufficient detail and depth to permit a complete requisite evaluation against at least the essential criteria will render a proposal non-compliant, and it may result in funding not being offered.

**In this section, for each of the essential and applicable desirable criteria, provide a short (3 to 4 line) commentary articulating how these criteria have been met in the project proposal.**

## 5.8 Appendices

As appropriate, the following elements should be included:

- (a) Letters of interest and commitment (details, level, timing, and monetary participation) from partners;
- (b) Résumés and references;
- (c) Current independently audited financial statements;
- (d) Quotes supporting major cost items;
- (e) Proof of the legal existence of the organization(s) (letters patent, charter of incorporation, etc);
- (f) Targets for project level success indicators for evaluation purposes (Annex “E”); and

(g) Other relevant information to complete the proposal.



Atlantic Canada  
Opportunities  
Agency

Agence de  
promotion économique  
du Canada atlantique

Canada

## ADMINISTRATION and DECLARATION FORMS

### INSTRUCTIONS

The Administration Form has been set-up as a Word Template. Shaded areas (boxes) are the designated areas for input. As you type, the text will expand. If there are any questions regarding this form or if you encounter any technical difficulties with this template, contacts are:

**New Brunswick:** Mr. Daryell Nowlan at 1-800-561-4030 in Fredericton

**Nova Scotia:** Mr. Iain Stewart at 1-800-565-1228 in Halifax

**Nova Scotia:** Mr. Wendell MacGillivray at 1-800-705-3926 in Sydney

**Prince Edward Island:** Mr. Gerard Watts at 1-800-871-2596 in Charlottetown

**Newfoundland:** Mr. Clayton Higdon at 1-800-668-1010 in St. John's or

**AIF Secretariat:** Mr. Brent Carter at 1-800-561-7862 in Moncton, New Brunswick.

Once Administration Form is completed, print document, sign Declaration Form and attach to the proposal.

**Submission deadline: September 28, 2001 4:00 PM**

## **ADMINISTRATION FORM**

**1. Legal Name of Proponent**

**Business Name (if different)**

**Mailing address:**

**2. Person to whom enquiries may be directed:**

Name:

Title:

Phone: (Bus.)

(Res.)

Fax:

E-mail:

**3. Identify Proponent's Organization Type (check only one):**

Non-profit:

- University
- College
- Other Post-Secondary
- Research Centre
- Industry Association
- Other Non-Profit

Private Sector:

- Incorporated Company
- Sole Proprietorship
- Limited Partnership
- Cooperative
- Individual

**4. Project Name:**

**5. Principal Project Location (City, Province):**

## 6. Principal Partners involved in the Project

**7. Describe Anticipated Environmental Impact (if any):**

## **8. Amounts Requested from the AIF**

Year 1 (\$AIF)	Year 2 (\$AIF)	Year 3 (\$AIF)	Year 4 (\$AIF)	Year 5 (\$AIF)

**Estimated Completion Date:** (yyyy/mm/dd)

## **10. Proponent's Professional References:**

	Name of Firm/Agency	Contact Person	Telephone
Consultant			
Financial Institution			
Accountant			
Lawyer			

**11. Official Language Preferred for Correspondence:**

English  
 French

## **12. Qualified Independent Reviewers**

Identify a minimum of two appropriate reviewers to assess the technical aspects of the proposal. Reviewers must not be current or recent (within the last 6 years) collaborators, departmental colleagues, students, employees or supervisor(s).

Provide a complete mailing address, telephone number, fax number, current e-mail address, and the area(s) of expertise of potential reviewers. Suggested reviewers may be Canadian or another nationality and should be able to evaluate the proposal in the language in which it is written.

ACOA reserves the right to select from this or its own list of reviewers.

**Name:**

**Mailing Address:**

**Postal Code:**

**Phone:**

**E-mail:**

**Area(s) of Expertise (key words):**

**Name:**

**Mailing Address:**

**Postal Code:**

**Phone:**

**E-mail:**

**Area(s) of Expertise (key words):**

**Name:**

**Mailing Address:**

**Postal Code:**

**Phone:**  
**E-mail:**

**Area(s) of Expertise (key words):**

**Name:**

**Mailing Address:**

**Postal Code:**

**Phone:**  
**E-mail:**

**Area(s) of Expertise (key words):**

**Name:**

**Mailing Address:**

**Postal Code:**

**Phone:**  
**E-mail:**

**Area(s) of Expertise (key words):**

Also, indicate any peer review which has already taken place on a portion or all of the proposal.

**Describe type of review:**

**Date of review:**

Year    Month

**Name of reviewer:**

**Mailing Address:**

**Postal Code:**

**Phone:**

**E-mail:**

**13. List Names of Documents to be submitted in hard copy:**

**14. List documents to be included on the diskette submitted with proposal:**

**Document Name:**

**Document File Name:**

**DECLARATION**

**TO THE MINISTER FOR THE  
ATLANTIC CANADA OPPORTUNITIES AGENCY (ACOA)**

- (a) I confirm that the information given in the proposal is, to the best of my knowledge and ability, complete, true and correct.
- (b) I certify that financial assistance from the Atlantic Innovation Fund is a significant factor in the decision to proceed with this project.
- (c) I also authorize ACOA to make any enquiries of such persons, firms, corporations, federal and provincial government agencies/departments and non-profit economic development organizations, to collect and share information with them, as ACOA deems necessary in order to reach a decision on this proposal, to administer and monitor the implementation of the subject project, and to evaluate the results of the project and this program after project completion.
- (d) For greater certainty, paragraph (c) also includes authorization for ACOA to engage technical experts to assist with project review and evaluation.
- (e) Information provided to ACOA will be treated in accordance with the *Access to Information Act* and the *Privacy Act*. These laws govern, protect and limit the collection, use and disclosure of personal, financial and technical information by federal government departments and agencies. Information provided to ACOA is secured from unauthorized access.
- (f) If this form is submitted electronically, it is deemed to be sent from the proponent's principal place of business and will be received at ACOA's Head Office in Moncton, New Brunswick.
- (g) If the proposal is submitted electronically, I agree that ACOA is not responsible in any manner for direct, indirect, special or consequential damages, caused in any way as a result of this transmission.

I have read and understood the clauses in this Declaration. I voluntarily consent to the collection, use and disclosure as described.

---

Witness \_\_\_\_\_ (Name and Title of Authorized Official\*)

  

---

(Name of Proponent)

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

\* If proponent is a university or college, the authorized official should be either the President, or Vice-President of Research or equivalent.

## Annex "D"

### General Conditions

#### Atlantic Innovation Fund

1. The Agreement resulting from the acceptance of this offer ("this Agreement") is made pursuant to the ACOA Atlantic Innovation Fund (AIF). This offer embodies and is subject to the Terms and Conditions of the AIF as approved by Treasury Board. This Agreement is that which is referred to as the "Contribution Agreement" in the Terms and Conditions, and should there be a conflict between the conditions included in this Agreement and the Terms and Conditions as approved by Treasury Board, the latter shall prevail.
2. In this Agreement, the following definitions shall apply:

**"Control Period"** - for commercial projects, this refers to the period beginning on the date of first disbursement and ending on the date on which all amounts due by the Proponent to the Agency under this Agreement have been paid in full or until that obligation is otherwise discharged to the satisfaction of the Agency. For non-commercial projects, the Control Period ends two years after the date of Project Completion.

**"Project Commencement Date"**- means the date on which, in the opinion of the Agency, the first major commitment is made by the Proponent to implement the Project.

**"Project Completion Date"**- means the date on which, in the opinion of the Agency, all the eligible costs have been incurred and the work completed to the satisfaction of the Agency.

3. The Proponent shall obtain the approval of the Agency before preparing any announcements, brochures, advertisements or other materials that will display the Agency logo or otherwise make reference to the Agency.
4. The Proponent consents to a public announcement of the Project, by or on behalf of the Agency. The Agency shall inform the Proponent of the date on which the announcement is to be made and the Proponent shall keep this offer confidential until such date. After official announcement of the Project by the Agency, or sixty (60) days after the Proponent's acceptance of this offer, whichever is earlier, information appearing on the Project Fact Sheet, as attached hereto, will be considered to be in the public domain.
5. The Proponent will advise the Agency at least thirty (30) days in advance of any special event (official opening, ribbon cutting, sod-turning, etc.) the Proponent wishes to organize in connection with the Project. A ceremony shall only be held on a date which is mutually acceptable to the Minister and the Proponent. Furthermore, the Proponent consents to having the Minister or designate participate in any such ceremony.

6. The Proponent shall not alter the scope of the Project without the prior written consent of the Agency.
7. The Agency shall not contribute to any cost that is not a reasonable and proper direct cost of the Project, nor to any cost which is not substantiated by satisfactory supporting documentation.
8. The Proponent shall obtain the prior written consent of the Agency to any material change in the ownership, management, financing, location, size of facilities, timing, job creation, federal, provincial or municipal assistance with respect to the Project.
9. Upon request by the Agency, the Proponent shall provide elaboration of any report required under this Agreement, promptly and at no cost to the Agency.
10. The Proponent shall obtain appropriate insurance coverage until the completion of the Project.
11. (a) The following constitute Events of Default:
  - (i) the Proponent becomes bankrupt or insolvent, goes into receivership, or takes the benefit of any statute from time to time in force relating to bankrupt or insolvent debtors;
  - (ii) an order is made or resolution passed for the winding up of the Proponent, or the Proponent is dissolved;
  - (iii) in the opinion of the Agency the Proponent ceases to carry on business;
  - (iv) the Proponent has submitted false or misleading information to the Agency;
  - (v) the Proponent makes a false or misleading statement concerning assistance by the Agency in a prospectus or other document related to raising funds; or
  - (vi) the Proponent has not met or satisfied a term or condition to which the Contribution is subject.  
(b) If an Event of Default has occurred, or in the opinion of the Agency is likely to occur, the Agency may exercise either or both of the following remedies:
  - (i) terminate any obligation by the Agency to contribute or continue to contribute to the costs of the Project, including any obligation to pay an amount owing prior to the date of such termination;

- (ii) require the Proponent to repay part of or all of the Contribution forthwith to the Agency, and that amount is a debt due to Her Majesty in right of Canada and may be recovered as such.
- (c) The Proponent acknowledges the policy objectives served by the Minister's agreement to make the Contribution, that the Contribution comes from the public monies, and that the amount of damages sustained by the Crown in an event of default is difficult to ascertain and therefore that it is fair and reasonable that the Minister be entitled to exercise any or all of their remedies provided for in this Agreement and to do so in the manner provided for in this Agreement if an event of default occurs.

12. The Proponent shall pay, in addition to any amount payable as a result of an Event of Default, interest on that amount. The interest, calculated daily and compounded monthly, shall accrue commencing upon the date which, in the opinion of the Agency, the Event of Default occurred. The rate of interest shall be equal to 3% higher than the average Bank of Canada discount rate for the previous month.
13. The Proponent shall, no later than sixty (60) days following the Project Completion, submit to the Agency a satisfactory claim for all Eligible Project Costs pertaining to goods received, or services performed prior to the Project Completion Date and which have not already been claimed. Any costs not claimed in accordance with the foregoing shall be deleted from the Authorized Project Costs.
14. The Proponent must repay to the Agency any amount of the Contribution which exceeds the amount to which the Proponent is entitled to arising from but not limited to overpayments, unexpended balances and disallowed expenses, within thirty (30) days of written notification by the Agency and that this amount constitutes a debt due to Her Majesty the Queen in Right of Canada.
15. When any payment is received from the Proponent on account of a repayable Contribution or an Event of Default, the Agency shall apply that payment first to reduce any accrued interest owing and then, if any part of the payment remains, to reduce the outstanding principal balance.
16. Any notice required to be given with respect to this Agreement shall be in writing and shall be effectively given if delivered or if sent by ordinary or registered mail, telegram, fax or telex addressed to the party for whom the notice is intended. Any notice shall be deemed to have been received on delivery; any notice sent by telegram, fax or telex shall be deemed to have been received one working day after being sent; any notice mailed shall be deemed to have been received eight (8) calendar days after being mailed.
17. This Agreement shall not be assigned by the Proponent without the prior written consent of the Agency.

18. No member of the House of Commons of Canada or the Senate of Canada shall be admitted to any share or part of this Agreement or to any benefit to arise therefrom.
19. No current or former public office holder or public servant, who is not in compliance with the Federal Conflict of Interest and Post-Employment Code for Public Office Holders or the Conflict of Interest and Post-Employment Code for Public Servants shall derive a direct benefit from this Agreement.
20. This Agreement is binding on the Proponent and its successors and assigns.
21. The Agency and Proponent declare that nothing in this Agreement shall be construed as creating a partnership, joint venture or Agency relationship between the Agency and the Proponent.
22. The Proponent shall not, prior to the end of the Control Period, cease to use, sell or otherwise dispose of eligible assets, the costs of which the Agency has contributed, without the written consent of the Agency except where the assets disposed of are immediately replaced by comparable assets of equal or greater value.
23. The Agency reserves the right to cancel or reduce the contribution in the event that departmental funding levels are changed by Parliament.
24. Any payment by the Agency under this Agreement is subject to there being an appropriation for the fiscal year in which the payment is to be made.
25. The Proponent shall obtain all necessary licenses and permits in relation to the Project that satisfy the requirements of all regulating bodies of appropriate jurisdiction.
26. The Proponent declares that no contingency fee for the solicitation, negotiation or obtaining of this agreement has been paid, agreed to be paid or will be paid directly or indirectly to any person other than to an employee of the Proponent acting within the scope of their employment.
27. The Agency may, at any time, by thirty (30) days notice to the Proponent, cancel this agreement if, in the Agency's opinion, the Statement of Work has not been executed in a satisfactory manner, or if the progress and objectives outlined in the contract have not been met.
28. The Proponent shall indemnify and save harmless, the Agency from and against all claims, losses, damages, costs and expenses relating to any injury to, or death of, a person or loss or damage to property caused or alleged to be caused by the Proponent or its servants or agents in carrying out the Proponent's activities.
29. The Proponent shall proceed in a good and workmanlike manner and using qualified personnel to carry out the Project described in the Statement of Work.

30. All information obtained by the Agency from the Proponent pursuant to an application or during the course of this agreement will be kept confidential unless otherwise required by the law.
31. The Proponent represents and warrants that any person who lobbies on their behalf to obtain this Agreement or any benefit thereunder, and who is required to be registered pursuant to the *Lobbyist Registration Act* is registered pursuant to that Act.
32. For a period up to thirty-six (36) months after the end of the Control Period, the Proponent shall permit any authorized representative of the Agency reasonable access to its premises to assess the progress and results of the Project and to audit the books, accounts and records of the costs of the Project.

## **Annex “E”**

### **ATLANTIC INNOVATION FUND**

### **RESULTS MEASUREMENT GUIDE**

Success indicators will be assembled at both the project, and the proponent and partner level. They will involve both quantitative and qualitative (narrative) reporting, the one designed to complement and supplement the other. Three basic types of information will be collected - benchmark, target, and actual. Table 1 outlines at which level each will be required:

**Table 1: Types of indicators and levels of reporting**

	<b>Project level</b>	<b>Proponent/Partner level</b>
Benchmark		X
Target	X	
Actual	X	X

From this table it is evident that only “actual” information (which measures performance) is required at both project and proponent/partner levels.

#### **Project Level Information**

The proponent is required to choose which of AIF’s four objectives (one or more) the project addresses, and to provide targets for indicators associated with the objective, during preparation of the proposal. The targets should relate to expected results over the life of the project (for example, new products or processes, increased R&D funding).

The proponent is also required to compile and submit an annual project report which summarizes progress towards the targets. Some information will be quantitative in nature, other information will be qualitative. Narrative reports are expected to include quantitative information where this exists.

Proponents should understand that although targets and indicators must form part of project proposals, final selection will be agreed upon at the time the proposal is being evaluated.

Table 2 is a template for specifying project-level indicators. **Only shaded areas in this table, which deal with project targets, must be filled in and submitted with the project proposal.**

**Table 2: Project Indicator Template**

Objective (refer to Section 1.0 of this RFPP)	Target (expected results over life of project)	Actual (in Annual Report)	Notes																								
<b>Objective 1:</b> <ol style="list-style-type: none"> <li>1. New R&amp;D positions on the project:           <table> <tr><td>Ph.D</td><td>_____ (FTEs*)</td></tr> <tr><td>Master's</td><td>_____ (FTEs)</td></tr> <tr><td>Bachelor's</td><td>_____ (FTEs)</td></tr> <tr><td>Other</td><td>_____ (FTEs)</td></tr> </table> </li> <li>2. New graduate student positions on the project</li> <li>3. New specialized equipment acquired for the AIF-supported project</li> </ol>	Ph.D	_____ (FTEs*)	Master's	_____ (FTEs)	Bachelor's	_____ (FTEs)	Other	_____ (FTEs)	<ol style="list-style-type: none"> <li>1. New R&amp;D positions on the project:           <table> <tr><td>Ph.D</td><td>_____ (FTEs*)</td></tr> <tr><td>Master's</td><td>_____ (FTEs)</td></tr> <tr><td>Bachelor's</td><td>_____ (FTEs)</td></tr> <tr><td>Other</td><td>_____ (FTEs)</td></tr> </table> </li> <li>2. New graduate student positions on the project</li> <li>3. New specialized equipment acquired for the AIF-supported project</li> </ol>	Ph.D	_____ (FTEs*)	Master's	_____ (FTEs)	Bachelor's	_____ (FTEs)	Other	_____ (FTEs)	<ol style="list-style-type: none"> <li>1. New R&amp;D positions on the project:           <table> <tr><td>Ph.D</td><td>_____ (FTEs to date)</td></tr> <tr><td>Master's</td><td>_____ (FTEs to date)</td></tr> <tr><td>Bachelor's</td><td>_____ (FTEs to date)</td></tr> <tr><td>Other</td><td>_____ (FTEs to date)</td></tr> </table> </li> <li>2. New graduate student positions on the project</li> <li>3. New specialized equipment acquired for the AIF-supported project</li> </ol>	Ph.D	_____ (FTEs to date)	Master's	_____ (FTEs to date)	Bachelor's	_____ (FTEs to date)	Other	_____ (FTEs to date)	<p>Quantitative supplemented by narratives on targets and progress towards these targets (in annual reports)</p> <p>Quantitative, supplemented by narrative</p> <p>Narrative, with quantitative information (numbers of pieces of equipment, their cost, utilization rates)</p>
Ph.D	_____ (FTEs*)																										
Master's	_____ (FTEs)																										
Bachelor's	_____ (FTEs)																										
Other	_____ (FTEs)																										
Ph.D	_____ (FTEs*)																										
Master's	_____ (FTEs)																										
Bachelor's	_____ (FTEs)																										
Other	_____ (FTEs)																										
Ph.D	_____ (FTEs to date)																										
Master's	_____ (FTEs to date)																										
Bachelor's	_____ (FTEs to date)																										
Other	_____ (FTEs to date)																										
<b>Objective 2:</b> <ol style="list-style-type: none"> <li>1. New discoveries</li> <li>2. New technology disclosures</li> <li>3. New refereed papers</li> <li>4. New licenses</li> <li>5. New patents</li> <li>6. New products/ processes</li> <li>7. New or expanded companies</li> </ol>	<ol style="list-style-type: none"> <li>1. New discoveries</li> <li>2. New technology disclosures</li> <li>3. New refereed papers</li> <li>4. New licenses</li> <li>5. New patents</li> <li>6. New products/ processes</li> <li>7. New or expanded companies</li> </ol>	<ol style="list-style-type: none"> <li>1. New discoveries</li> <li>2. New technology disclosures</li> <li>3. New refereed papers</li> <li>4. New licenses</li> <li>5. New patents</li> <li>6. New products/ processes</li> <li>7. New or expanded companies</li> </ol>	<p>Choose two most relevant, and accompany quantitative report with narrative</p>																								

Objective (refer to Section 1.0 of this RFPP)	Target (expected results over life of project)	Actual (in Annual Report)	Notes
<b>Objective 3:</b> <p>1. New alliances/partnerships with private firms:</p> <p>a. regional _____ (#)</p> <p>b. national _____ (#)</p> <p>c. international _____ (#)</p> <p>.....</p> <p>2. New alliances with other research institutions:</p> <p>a. regional _____ (#)</p> <p>b. national _____ (#)</p> <p>c. international _____ (#)</p>		<p>.....</p> <p>.....</p> <p>.....</p>	<p>Narrative, with emphasis in annual reports on progress towards strengthening innovation capacity through R&amp;D commercialization; partnerships and alliances; and sharing of researchers and facilities. Include names of private companies and partner institutions.</p>
<b>Objective 4:</b> <p>New funding expected to be obtained from national R&amp;D programs</p>	<p>Expectations for new funding to be obtained from national R&amp;D programs as a result of improvements in R&amp;D capacity resulting from the AIF-project (over and above funding for the current project)</p>	<p>Progress towards new funding obtained from national programs</p>	<p>Primarily narrative on the extent that the project will result in additional funding from national R&amp;D programs. Quantify and specify sources of funding where possible. National programs include those listed in Table 3, Items 3 (a) to (i) on following page.</p>
<p>Note* Full-time equivalent (FTE) positions are full time positions (40 weeks or more a year), plus part-time employment counted on the basis of one full-time job (equal to 1,600 hours or 40 weeks a year)</p>			

## Proponent/Partner Level Information

As part of the monitoring and evaluation of AIF, institutions will be required to provide ACOA with information at proponent and partner level on overall R&D effort. This will be done at the outset of the program, as proposals are approved, and on an annual basis thereafter for the duration of the project. If an institution is part of more than one project, this benchmarking and annual reporting will only be done once per organization.

Table 3 is an illustration of the main types of information to be collected. **This table is provided for information only and is not to be submitted with the project proposal.**

**Table 3: Illustrative Proponent/Partner Indicator Template**

Indicator (all R&D-related activities)	Benchmark (most recent three years of historical data)	Actual (on annual basis)
1. R&D personnel: Ph.D Master's Bachelor's Other	____ (FTEs) ____ (FTEs) ____ (FTEs) ____ (FTEs)	____ (FTEs) ____ (FTEs) ____ (FTEs) ____ (FTEs)
2. Number of graduate students on staff (not required for private sector)	____ (#)	____ (#)
3. R&D spending by funding source*: a. NSERC b. CIHR c. SSHRC d. CFI e. CSA f. NCE g. CRC h. TPC i. NRC-IRAP j. Other federal k. Provincial l. Private business m. Other	\$____ \$____ \$____ \$____ \$____ \$____ \$____ \$____ \$____ \$____ \$____ \$____ \$____ \$____ \$____ \$____	\$____ \$____ \$____ \$____ \$____ \$____ \$____ \$____ \$____ \$____ \$____ \$____ \$____ \$____ \$____ \$____
<b>Total</b>	\$____	\$____
Note * Acronyms are NSERC: Natural Sciences and Engineering Research Council; CIHR: Canadian Institutes of Health Research (formerly Medical Research Council); SSHRC: Social Sciences and Humanities Research Council; CFI: Canada Foundation for Innovation; CSA: Canadian Space Agency; NCE: Networks of Centres of Excellence; CRC: Canada Research Chairs; TPC: Technology Partnerships Canada; NRC-IRAP: National Research Council - Industrial Research Assistance Program		

<b>PROJECT COSTS BY CATEGORY:</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Total Year 1-5</b>
<b>ELIGIBLE COSTS:</b>						
1. Wages and Salaries (including benefits)						
2. Direct Material						
3. Equipment						
4. Building *						
5. Renovations *						
6. Sub-Contracts and Consultants						
7. Travel Costs						
8. Studies						
9. Testing Services						
10. Patent Costs						
11. Leased Buildings						
12. Technology Costs						
13. Direct Overhead						
14. Other Costs (e.g., Test Marketing)						
<b>TOTAL ELIGIBLE COSTS</b>						
<b>NON-ELIGIBLE COSTS:</b>						
15. Land						
16. Selling Expenses						
17. Interest and Financing Costs						
18. In-Kind Contribution – Salary						
19. In-Kind Contribution – Other						
<b>TOTAL NON-ELIGIBLE COSTS</b>						
<b>TOTAL PROJECT COSTS</b>						

On a separate page(s), provide details on costs included in each of the above categories, as applicable.

\*Building and major renovations costs will be eligible under AIF but only on a very selective basis and only if absolutely essential for the project. AIF assistance for new buildings or major structural renovations will not normally exceed 30% of their costs.

**PROJECT FINANCING:**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Total Year 1-5</b>	<b>Secured(S) Expected(E)</b>
<b>Cash Contributions:</b>							
20. Support from Private Sector Partners							
21. Funding from AIF							
22. Funding from CFI							
23. Funding from NSERC							
24. Funding from NRC/IRAP/TPC							
25. Funding from CIHR							
26. Funding from SSHRC							
27. Other Federal Funding							
28. Support from the Proponent							
29. Support from Non-Commercial Partner							
30. Support from Provincial Government(s)							
31. Other sources of funding							
32. Anticipated Revenues							
<b>TOTAL CASH CONTRIBUTIONS</b>							
33. In-Kind Contributions							
Salary							
Other							
<b>TOTAL IN-KIND CONTRIBUTIONS</b>							
<b>TOTAL CASH &amp; IN-KIND CONTRIBUTIONS</b>							

**On a separate page(s), provide details on the financing arrangements for each line item on this page, as applicable. If financing is not secured, provide details on the remaining steps needed to secure this financing.**

**Provide a breakdown of the costs to be incurred by each of the partners in the project.**

**Details on Direct Wages and Salaries (including benefits)**

<b>DIRECT WAGES AND SALARIES</b>	<b>Position</b>	<b>Qualifications (e.g., PhD, technician, etc)</b>	<b>% of Time on Project</b>	<b>Annual Estimated Salary</b>	<b>Direct Cost to the Project</b>
Name:			%		
			%		
			%		
			%		
			%		
			%		
			%		
			%		
			%		
			%		
			%		
			%		
			%		
			%		
			%		
			%		
			%		
			%		
			<b>TOTAL</b>		