



Networks of Centres
of Excellence

Réseaux de Centres
d'excellence

Centres of Excellence for Commercialization and Research (CECR)

Letter of Intent Guide For the 2008 Competition

The Grants Program for Centres of Excellence for Commercialization and Research (CECR Program) is a key element of the federal government's Science and Technology Strategy. The CECR Program supports the operation of commercialization and/or research Centres that bring together people, services, and infrastructure to maximize the benefits of the government's investments in skills and research and to encourage greater private sector investment in science and technology.

The CECR Program is overseen by a tri-agency steering committee (NCE Steering Committee) made up of the Deputy Minister of Industry, the Presidents of the three granting agencies and the President of the Canada Foundation for Innovation (as an observer). A Private Sector Advisory Board will assess the economic and commercial benefits and opportunities of each Centre proposal and provide advice and funding recommendations to the NCE Steering Committee. The Board will be informed by international peer review.

Day-to-day administration of the CECR Program is provided by the Networks of Centres of Excellence Secretariat (The NCE Secretariat).

The NCE Secretariat runs periodic national competitive processes through which the Steering Committee selects successful Centres.

The 2008 Competition Budget is \$165M.



Summary

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Centres of Excellence for Commercialization and Research

Goal

The goal of the CECR program is to create internationally recognized Centres of commercialization and research expertise in four priority areas in order to deliver economic, social and environmental benefits to Canadians. As established in the federal government's 2007 Science & Technology Strategy, the priority areas are:

- Environmental science and technologies;
- Natural resources and energy;
- Health and related life sciences and technologies;
- Information and communications technologies;

Expected Results

The Program is expected to maximize the benefits of government investment in R&D and encourage the private sector to increase its investment in Science & Technology.

Funded centres shall be world-class and expected to:

- Attract and retain top talent (including internationally recognized researchers, business leaders, post-graduate and post-doctoral students);
- Open up new opportunities for Canadian firms and researchers to access world-class equipment, facilities and research capacity;
- Create, grow and retain companies in Canada that are able to capture new markets with breakthrough innovations;
- Accelerate the commercialization of leading edge technologies, goods, services in priority areas where Canada can significantly

advance its competitive advantage;

- Attract investment (including foreign direct investment and venture capital).

Centres with a strong commercialization orientation will be expected to become self-sufficient by the end of the funding period.

Research centres that do not yet have a well developed commercialization agenda shall also be considered for funding. In such instances, it is expected that the centre will help create sufficient scale and focus to position Canada at the forefront of international research breakthroughs that will yield economic, health, social or environmental benefits to Canadians. Centres with a strong research orientation that yield significant public benefits within the funding period may be eligible for subsequent support in the event that the program is extended.

Class of recipients

Organizations eligible to receive funds are not-for-profit corporations created by universities, colleges, not-for-profit research organizations, firms, and other interested non-government parties.

As a condition of eligibility, organizations applying for CECR funds shall have an established Board of Directors responsible for the approval of its annual financial reports and audits.

Competition Budget and Size of Grants

A total of 165M is available for the 2008 Competition. Successful applicants will normally receive \$15 million over five years. However, larger awards will be considered where the project holds the potential for significant benefits. Multiple sources of funding for projects are expected. Total assistance being provided to a project will be carefully monitored to ensure all sources of funding do not exceed eligible costs.

The CECR program may provide up to 50 per cent of total eligible commercialization costs, and up to 75 per cent of the other

total eligible costs (as described below). Total federal government assistance for eligible expenses of the Centre shall not exceed 75%. The balance in funding must come from non-federal sources.

Eligible expenses

The program will provide support for the following eligible expenditures:

- **Operating Costs:** maintenance and operation of the facility; materials and supplies; liability insurance for members of the board of Directors and Centre administrators; legal fees and other related incorporation costs.
- **Salary Costs:** salaries for technical and professional staff employed to provide support to users or to maintain and operate the facility.
- **Knowledge Dissemination/Sharing Costs:** hosting professional and scientific conferences and lectures (excluding travel and accommodation); dissemination and exchange of research results with others including academia, governments, the not-for-profit sector and private sector; activities aimed at promoting science awareness such as workshops and lectures open to the public; attending professional and scientific conferences and lectures.
- **Commercialization Costs:** specialized equipment and directly related operating costs (where the applicant is ineligible for support under the Canada Foundation for Innovation); pre-commercialization support services (e.g. intellectual property protection, market studies, business plan development, counselling and mentoring, technology evaluation).

Where a project involves capital equipment expenditures that are vital to the success of

a commercialization project, the cost of that equipment will be considered an eligible expense, provided: 1) the eligible recipient is not eligible for other federal programming that supports capital expenditures such as the Canada Foundation for Innovation, and 2) the equipment cost for which coverage is requested does not exceed \$1 million and at most 20% of the total eligible commercialization expenses.

Competition Process

Each Letter of Intent must present a potential new CECR and describe how it would further the goal of the program. Letters of Intent will be used to screen potential Centres. The deadline for submission is **Monday, August 20, 2007, 11:59 PM Eastern Daylight Saving Time (EDST)**. [PLEASE NOTE that the procedure for the submission of the CECR Letter of Intent has been modified.](#)

Based on a review of the Letters of Intent, selected applicants will be invited to submit Full Applications for a deadline of **Wednesday, October 31, 2007, 4:30 EST**. Where appropriate, the NCE Secretariat will provide written comments to applicants.

Timetable: 2008 Competition for CECRs

Dates	Milestone
June 26, 2007	Competition Announced
August 20, 2007	LOI Deadline
September 2007	Private Sector Advisory Board (PSAB) review of LOIs and Steering Committee Decision
September 2007	Invitations for Full Applications

October 31, 2007	Full Application Deadline
November 2007	Expert Review Panels
November 2007	Recommendation by PSAB of projects to be awarded funding
November 2007	Decision by the NCE Steering Committee on selected Centres
December 2007	Treasury Board Submission for funding of selected Centres
February 2008	Memorandum of Understanding and CECR Grant Agreements signed
March 2008	New CECRs Announced

Program Criteria

To ensure that the program objectives are met, proposals are assessed against the three selection criteria outlined below.

I - Benefits to Canada

- The extent to which the Centre's commercialization and/or research program addresses issues of high priority for Canada;
- The potential for the Centre's commercialization and/or research activities to yield significant economic, social, health or environmental benefits to Canadians;
- The likelihood that the Centre will create sufficient scale and focus to brand Canada as the host of an internationally recognized Centre of excellence in the area;
- The likelihood that the Centre will strengthen domestic collaboration and ensure that benefits spill over to a wide array

of firms, sectors and regions of the country;

- The opportunity to optimize resources, drawing on existing national and international commercialization and/or research strength, world-class infrastructure, facilities and funding sources to enhance Canadian capacity.

Elements to consider when Commercialization is involved:

- The opportunity to create, grow and retain companies in Canada that are able to capture new markets with breakthrough innovations;
- Evidence that the Centre will help accelerate the commercialization of leading edge technologies, goods, services in priority areas where Canada can significantly advance its competitive advantage.

II - Track Record and Potential of the Applicants

- The achievements of the applicants and their ability to contribute to the Centre's commercialization and/or research program;
- The proven ability of the applicants to train and retain innovative and internationally competitive researchers in areas and technologies critical to Canadian productivity, economic growth, public policy and quality of life;
- The likelihood that the Centre will attract top talent from around the world (researchers, post-graduate and post-doctoral students and internationally recognized business leaders, in the case of Centres with a commercialization mandate);
- The ability of the applicants to attract investment (including, in the case of Centres with a

commercialization mandate, foreign direct investment and venture capital).

III - Strength of the Business Plan:

- Excellence, focus and coherence of the commercialization and/or research program;
- The extent to which the partnerships involve various levels of government and the private sector to complement the funding available through the granting agencies and the Canada Foundation for Innovation;
- The effectiveness of the plan to manage, protect and exploit intellectual property resulting from Centre-funded research
- The likelihood for this investment to result in the creation of a sustainable, productive Centre of excellence;
- The quality of the proposed organizational structure with appropriate representation on the Board of Directors and management team;
- Evidence that the applicants have in place an accountability framework likely to result in effective leadership and sound financial decision-making.

Review and Decision Process

Stage 1: Letters of Intent

Applicants will submit letters of intent that describe the Centre, its operations and planned activities, required funding, members and supporting partners and their duties and respective contributions, and expected commercialization and/or research benefits for the project period.

Letters of Intent must include letters of support from other key funding organizations, including any provincial governments where they are expected to support the Centre during its development,

construction, or operations during its expected lifetime.

The Private Sector Advisory Board will assess the letters of intent against the program selection criteria, and recommend a short-list of applicants to the Steering Committee for advancement to Stage II.

Stage II: Full Proposals

Centres advanced to Stage II will develop full project proposals, including complete information on the Centre and its intended operations, funding requirements, the partnerships among supporters, their duties and respective contributions, and the expected research and commercialization outcomes and benefits of the project. All partnership arrangements, contributions and allocations of benefits (such as intellectual property) among parties must be fully described for a proposal to be considered complete.

A full CECR proposal consists of the following:

- I. A business plan addressing the CECR selection criteria (includes a proposed budget);
- II. Curriculum Vitae information for the leaders of the Centres;
- III. Letters of support and summary of contributions the applicants secured from supporting organizations.

Complete proposals received by the NCE Secretariat by the established due date will then undergo a consultation and assessment process. Proposals will be distributed by the NCE Secretariat to CFI, the relevant granting agency(ies) and other relevant organizations (e.g. BDC, NRC, Regional Agencies) for consultation and comment, including non-binding comment on the potential likelihood of support for the relevant activities of the proposed Centre under their respective programming. The Secretariat will meet with provincial officials to identify provincial priorities and to secure their views on the project proposal(s) from their province.

Proposals will undergo review by Expert Panels established by the NCE Secretariat, comprised of domestic and international experts, who will evaluate the project proposals, meet with applicants, and produce in-depth written assessments of the proposals. The Private Sector Advisory Board will review each Expert Panel report, the comments from the parties consulted, and then recommend to the NCE Steering Committee priority Centres for approval. Centres failing to be endorsed by Expert Panels as having the potential to achieve excellence in research or commercialization will not be eligible for program funding.

Given the multi-disciplinary nature of the projects, funding for a given Centre may come from more than one Granting Agency, and so the NCE Secretariat will be the primary point of interaction for all project applicants throughout the life of their projects. Funding disbursements will be managed by the NCE Secretariat and disbursed to the recipient(s) against a funding agreement under the legal authority(ies) of the relevant granting agency(ies) (NSERC, and/or SSHRC and/or CIHR).

Decisions reached by the NCE Steering Committee are final. There is no appeal process.

The names and affiliations of the members of the Private Sector Advisory Board will be included in its final report. This report will be available at www.nce.gc.ca after the new Centres are announced (see *Timetable*, above).

Guidelines for Completing a Letter of Intent

The Letter of Intent provides information on the proposed CECR in relation to the goals and objectives of the CECR Program. It will be used in the screening process to determine which groups will be invited to submit Full Applications. It will be evaluated according to the three published CECR program criteria.

The Letter of Intent **must** be developed in collaboration with relevant stakeholders. The applicants must clearly indicate how the proposed CECR's commercialization and research activities will address the priorities of industry. Private and public sector participants should be informed that their level of involvement as well as their cash or in-kind commitments will be critical to the success of the Centre.

The letters of support from stakeholder organizations should indicate briefly the nature of the anticipated support and potential involvement in the proposed Centre. Each letter of support **must** not exceed two pages.

General Presentation

Print must be in black ink, of letter quality (minimum standard), with no more than six lines per inch. The type size for fonts measured in points (pts) must be no smaller than 12 pts. If measured in characters per inch (cpi), it must be no more than 10 cpi. Condensed type is unacceptable. Use white paper, 8½ x 11 inches (21.5 cm x 28 cm), with margins of ¾ of an inch (1.75 cm) (minimum) all around. Enter the title of the CECR at the top of every page and number the pages consecutively. Graphs and illustrations may be included, but will count as part of the page limits set out below. Either single or double column presentation of text, graphs or illustrations is acceptable. **Any extra material will be removed.**

The Letter of Intent must include the following:

1. Summary Information

Complete and sign Section A of the CECR 2008 LOI Application Form available on the NCE Web site at www.nce.gc.ca. The following information **must** be provided:

- **Centre Director:** name, mailing address, telephone and fax numbers, and, e-mail address for the proposed Centre Director; letters of intent must identify a single Centre Director;

- **Title:** name and acronym of the proposed Centre (in both official languages) as it will be used for publication and communication purposes;
- **Keywords:** up to ten key words related to the proposed Centre;
- **Anticipated number of researchers:** anticipated number of researchers involved in Centre activities at participating institutions who would be funded by the proposed Centre (excluding graduate students, postdoctoral fellows and research associates);
- **List of letters of support** from the unrestricted number of letters of support to be submitted with the application, provide in Section A of the CECR LOI Application Form the name and organizational affiliations of signatories of five key stakeholder letters of support;
- **Budget Grand Total, CECR funds:** the grand total from Section B, line 10;
- **Signatures:** The Centre Director and the President or CEO of the proposed Host Institution.

2. Articulation of the Proposed Centre's Benefits to Canada *(Maximum 3 pages)*

Describe a vision of what the Centre proposes to achieve, including specific goals and objectives. The vision should describe the expected end-results of the commercialization and research activities over and following the course of the funding period, especially with respect to the expected outcomes and impacts on the industry.

Provide an overview of the context within which the Centre is positioned. Define the problem areas, the Centre's proposed commercialization and research activities and the incremental economic and social benefits to Canada.

3. Information to help assess the track record and potential of the applicants *(Maximum 5 pages)*

Background information about the lead applicants is required to assist in the assessment of their commercialization and research excellence.

Provide a list (or table) of the names and affiliations of the proposed members of the Centre's Board of Directors.

Biographies are requested for the Centre Director and at least 4 other members of the Board of Directors, including the Proposed Chair (up to 200 words each).

4. The Business Plan *(Maximum 5 pages)*

Centre commercialization and research programs must be developed in collaboration with relevant stakeholders, and must integrate industry priorities. Give an overview of the Centre's proposed business plan, highlighting the following elements:

- The excellence, focus and coherence of the Centre's commercialization and/or research program;
- The extent to which the partnerships developed for the center involve various levels of government and the private sector to complement the funding available through the granting agencies and the Canada Foundation for Innovation;
- The effectiveness of the plan to manage, protect and exploit intellectual property resulting from Centre-funded research;
- The likelihood for this investment to result in the creation of a sustainable, productive Centre of excellence;
- The quality of the proposed organizational structure with appropriate representation on the Board of Directors and management team;
- Evidence that the applicants have in place an accountability framework likely to result in effective leadership and sound financial decision-making.

5. Letters of Support from Stakeholders *(Maximum 2 pages per letter)*

An unlimited number of letters of support may be included from stakeholder organizations. Letters of support must make explicit reference to the proposed Centre, and should:

- Come from a senior executive;
- Make commitments especially in terms of financial and/or in-kind support;
- Indicate how the proposed Centre would help their organization; and
- Indicate current and past associations with the applicant.

Preliminary budget allocation

- Use Section B of the CECR 2008 LOI application form to indicate the anticipated expenditures of CECR funds for the Centre. Round all estimates to the nearest thousand dollars. Provide preliminary estimates for years 1 through 5.
- In Section C of the Letter of Intent application form for the 2008 Competition, provide any required explanation of the preliminary budget allocation. Use only the space provided (approximately ½ page).

*Host Institution covering letter
(maximum 2 pages)*

A letter, signed by the proposed Centre Director and the President or CEO of the institution that proposes to host the Centre, must be included. This letter should outline the nature of anticipated support from the proposed Host Institution. Host Institutions play an important role in CECR funded Centres, through both direct administrative support and by participating in Centre governance through ex-officio voting membership on the Board of Directors.

The signatures on the letter should match the signatures on Section A of the Application Form.

Submission Procedures:

IMPORTANT NOTICE - PLEASE NOTE that the procedure for the submission of the CECR Letter of Intent has been modified.

The procedure for the submission of the CECR Letter of Intent has been modified as follows:

1. The Deadline for LOI Submission is extended to **11:59 PM EDST, Monday August 20.**
2. The electronic version of the LOI received by e-mail at the following address: cecr@nce.gc.ca will be accepted as the official application. The e-mail must contain two documents:
 - i. the complete LOI Application as a single PDF File containing all the material, including application form, budget and scanned letters of support; and
 - ii. the 2 page Letter of Intent - Application Form (Excel Format) which details the requested CECR Budget.
3. The paper version of the application should arrive at the NCE Directorate by courier within the same week at the following address:
Networks of Centres of Excellence
16th floor, mailroom
350 Albert Street
Ottawa, Ontario, Canada
K1A 1H5
4. A version on compact disc is no longer required.

Once the e-mail submission is completed, you shall receive an automatic confirmation of receipt. If you do not receive this confirmation following your e-mail submission, please contact the NCE Secretariat on August 21 at 613-995-6010.

Tables, graphs and figures may be included within the page limits noted above. **Any extra material will be removed.**

The *Letter of Intent Guide for the 2008 Competition* for the CECR LOI Application Form, and details about the CECR Program can be obtained at www.nce.gc.ca.

For more information, please contact the NCE Secretariat at:

Telephone: (613) 995-6010
Fax: (613) 992-7356
E-mail: cecr@nce.gc.ca

Checklist

A Letter of Intent (including the LOI Application Form but not the letters of support) **must not exceed** 17 pages, organized by section, as follows.

	1	1-2 pages	Host Institution letter
	2	1 page	CECR 2008 LOI Application Form (Section A)
	3	3 pages	Benefits to Canada
	4	5 pages	Track Record and Potential of Applicants
	5	5 pages	Business Plan (including ½ page organizational chart)
	6	1 page	<i>CECR 2008 LOI Application Form (Sections B and C)</i>
	7	Two pages per letter	Stakeholder Letters of Support (maximum 2 pages per letter)
			<i>Any extra material will be removed</i>