

How NGen Funding Decisions are Made

NGen raises funds from a variety of public and private sources to invest in Technology Leadership Projects and Strategic Ecosystem Initiatives that build world leading advanced manufacturing capabilities in Canada.

Technology Leadership Projects are industry-led, collaborative projects that integrate research, technologies, and manufacturing capabilities into innovative advanced manufacturing solutions that can be adopted by manufacturers and commercialized in Canada and around the world.

Strategic Ecosystem Initiatives are activities in which NGen wishes to play a leading role to strengthen the capabilities of Canada's advanced manufacturing ecosystem. They include activities that promote and showcase Canada's advanced manufacturing capabilities, reports that identify and analyze strategic market opportunities for Canadian companies, support for NGen's cross-country network of advanced manufacturing clusters, as well as initiatives that promote skills development, attract young people and under-represented groups into Canada's advanced manufacturing workforce, and enhance management capabilities.

Role of the Board

NGen's Board of Directors advises on and approves the priorities we pursue in our Five-Year Strategic Plan and annual Corporate Plans.

The Board determines the strategic criteria that we apply to all our projects and ecosystem initiatives – they must be transformative, collaborative, applied with significant potential for commercialization, and contribute to Canada's advanced manufacturing ecosystem. It approves the scope within which NGen manages the financial risks involved in the projects and initiatives that we fund. It approves the rate at which NGen charges project administration fees. The Board also reviews the performance of NGen's project portfolio. Project outcomes are reported to the Board.

NGen's Board does not approve, select, or review the performance of any individual project. Any Board member with a financial or other interest in an organization that is applying for, being considered for, or actively involved as a partner in a NGen-funded Technology Leadership Project or Strategic Ecosystem Initiative must disclose their interest to the Board and recuse themselves from any discussion or decision taken by the Board related to that project or initiative.

Technology Leadership Projects

NGen staff identify strategic funding priorities for approval by the Board.

NGen's Project Team:

- Manages calls for Technology Leadership Projects.
- Ensures the confidentiality of sensitive information.
- Screens expressions of interest to ensure that applications are eligible for funding.
- Advises project applicants with respect to eligibility requirements, potential project partners, and IP and commercialization plans.
- Conducts due diligence of prospective project and ecosystem partners to ensure that they have the financial capacity to undertake projects, comply with Canadian sanctions provisions, and have appropriate risk mitigation measures in place.
- Manages the project approval and selection process which is undertaken by panels of independent industry experts.
- Facilitates project partner collaboration.
- Negotiates funding contracts in the form of Master Project Agreements with approved project partners.
- Monitors and reports on the progress of projects and ecosystem initiatives.

All project proposals are graded according to the answers that proponents provide to questions in their applications for funding. Applications are assessed by panels of independent industry experts whose anonymity is protected throughout the assessment process. Project selection decisions are made solely by the independent industry experts who have reviewed project applications.

Results of project assessments are communicated to the lead partner of each project proposal following a project selection meeting. Project applications that are not approved for funding may be revised and resubmitted for consideration in future calls for proposals.

Final approval for project funding is made by NGen's CEO upon the conclusion of a Master Project Agreement between NGen and the project partners involved. NGen's CEO cannot select a project if it has not been approved by an independent industry expert panel. However, subsequent to a decision by an assessment panel, the CEO may refuse approval if:

- Project partners are not able to sign a Master Project Agreement with NGen.

- Project plans are altered to such an extent that they make the project ineligible or otherwise fundamentally change the nature or feasibility of the project.
- It is determined that for financial or other reasons the project cannot feasibly be undertaken within the timeline determined for the project.

All project funding and selection decisions are fully documented and available for audit purposes. Once contracted, approved projects are reported to the Board.

Strategic Ecosystem Initiatives

NGen staff identify strategic funding priorities for approval by the Board.

The NGen Team:

- Proposes Strategic Ecosystem Initiatives for approval by NGen's Leadership Team and CEO.
- Manages requests for proposals for ecosystem initiatives, screens applications for eligibility, and conducts due diligence of ecosystem partners.
- Defines a statement of work for each initiative specifying benefits to the ecosystem, milestones, timelines, and costs.

NGen's Leadership Team:

- Determines whether a particular Strategic Ecosystem Initiative should be funded on the merits of its statement of work and contribution to the strategic objectives defined in NGen's Five-Year and annual Corporate Plans.
- Approves funding for ecosystem initiatives up to \$100,000.
- Approves funding if a continuation of previously approved initiatives.
- Evaluates and approves requests for proposals for initiatives involving more than \$100,000.

Statements of work for selected ecosystem initiatives are incorporated into contracts undertaken with ecosystem partners that define NGen's role in the initiative and NGen's rights with respect to the deliverables of the initiative. Contracts are approved by NGen's CEO upon acceptance of the ecosystem partner(s) involved.

All Strategic Ecosystem Initiative funding and selection decisions are fully documented and available for audit purposes. All initiatives that are approved are subsequently reported to the Board.

Dispute Settlement

If an assessment or approval decision for Technology Leadership Projects or Strategic Ecosystem Initiatives is disputed, the decision can be appealed to the Chair of NGen's Governance and Compliance Committee solely on the grounds that NGen's funding decision processes were not followed.

Transparency

All processes for the selection and approval of Technology Leadership Projects and Strategic Ecosystem Initiatives comply with NGen's Contribution Agreements with, and are approved by, the relevant authorities from which NGen derives our funding.

All processes are described in the funding guidelines published on NGen's website when calls for proposals are launched.