



# Corporate plan 2014-15

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## 1.0 – THE ROLE OF THE CANADA FOUNDATION FOR INNOVATION

The Canada Foundation for Innovation (CFI) is a non-profit corporation created by the Government of Canada through the 1997 *Budget Implementation Act*. Its mission is to benefit Canadians by strengthening the capacity of Canadian universities, colleges, research hospitals and non-profit research institutions to carry out world-class research and technology development.

The CFI funds up to 40 percent of a project's research infrastructure costs. Institutions, in partnership with provincial governments and other public, private and non-profit organizations, must secure the remaining 60 percent of the required funding.

Canada's future prosperity depends on its ability to generate knowledge and ideas that result in new products and services, create wealth, enhance social foundations, sustain the environment and ultimately improve the quality of life for all Canadians. By supporting the country's capacity for world-class research, the CFI is playing a vital role in producing social, economic, environmental and health benefits for Canadians. In addition, the development, purchasing and use of state-of-the-art research equipment and the construction of world-class research facilities help provide value-added employment, and create the highly-skilled workforce necessary to drive innovation and economic growth over the long term.

### 1.1 – CONTRIBUTING TO CANADA'S SCIENCE AND TECHNOLOGY STRATEGY

The Government of Canada's 2007 Science and Technology Strategy, *Mobilizing Science and Technology to Canada's Advantage*, focuses on addressing three crucial policy imperatives:

- Encourage a strong private-sector commitment to S & T;
- Continue strengthening its knowledge base; and
- Be a magnet for talent.

To address these challenges effectively, the Government of Canada fosters three S & T advantages:

- Canada must translate knowledge into commercial applications that generate wealth and quality of life for Canadians by creating an **Entrepreneurial Advantage**;
- Canadians must be positioned at the leading edge of the important research developments that generate health, environmental, societal and economic benefits to create a **Knowledge Advantage**; and
- Canada must be a magnet for the most educated, most skilled and most flexible workforce in the world to thrive in the modern global economy and create a **People Advantage**.

In all of its funding, communicating and reporting activities, the CFI actively contributes to the implementation of the Government of Canada's S & T strategy. It does so by delivering on its overarching mandate to increase and sustain the capacity of Canadian researchers to undertake world-class research and technology development that benefits Canadians.

### 1.2 – THE CFI'S FUNDING AND CONTRIBUTION AGREEMENTS

The CFI currently operates under two funding agreements with the Government of Canada as represented by, and under the authority of, the Minister of Industry. The first funding agreement specifies the conditions under which all funds allocated to the CFI between 1997 and 2009 are distributed to eligible recipients. The 2009 Federal Budget allocated \$150 million to the CFI under the first funding agreement and \$600 million to be distributed under a new, second funding agreement. This second funding agreement was signed in July 2010.

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As of January 31, 2014, a new contribution agreement for the \$499.85 million allocated through Economic Action Plan 2012 is pending. The CFI will finalize its competition schedule once this process is completed.

As announced in Economic Action Plan 2013, in 2014-15, the CFI will launch competitions in connection with the \$225 million of interest income accrued under the first funding agreement. These funds will be used to enrich the next Innovation Fund competition, augment the Major Science Initiatives Fund, sustain CFI's operations, and support cyber-infrastructure.

### 1.3 – THE CFI'S STRATEGIC DIRECTIONS

In 2011, the CFI Board of Directors engaged in a process to update the 2009 CFI Strategic Plan in light of the 2010 CFI Funding Agreement, ongoing economic uncertainty around the globe and an increasing need to address Canada's productivity issues through innovation in the private and public sectors. The updated strategic plan was approved by the CFI Board of Directors in March 2012 and subsequently issued as the 2012-17 Strategic Roadmap.

The Board identified three specific areas of opportunity where the CFI's funding activities can contribute to better understanding the world in which we live, addressing social, economic and environmental challenges, and improving the health and well-being of Canadians:

- Sustaining and enhancing the world-class capacity of Canada's research institutions;
- Fostering collaboration and integration between academic research and the private and non-profit sectors; and
- Increasing the global influence of Canadian research in ways that benefit Canadian society.

In any future funding activities, the CFI will seize these opportunities by applying the principle of excellence to a range of research and research management activities, including the governance of large-scale research facilities, the quality of the relationships between research collaborators in both the public and private sectors and institutional planning. The CFI will also redesign and adjust its programs and policies to support the full range of research activities across the innovation spectrum, from discovery to innovation. The Board is increasingly interested in advancing our understanding of how infrastructure supports innovation, leading to enhanced commercialization and Canadian competitiveness. Finally, the CFI will coordinate its activities with other funding agencies, sustain the capacity of research institutions and help meet the knowledge and innovation needs of industry, government and the non-profit sectors.

In delivering on its core mandate to support world-class research, world-class talent and world-class innovation, the CFI's Board of Directors defined six specific strategic directions:

1. Invest in the highest levels of excellence: to ensure that Canadian researchers are able to perform at the highest levels of excellence and that innovators benefit from their research.
2. Sustain and enhance Canada's research capacity: to ensure that Canada's research enterprise continues to have the capacity to perform at world-class levels.
3. Forge productive partnerships: to ensure that, where appropriate, CFI infrastructure investments achieve maximum leverage and impact through partnerships.
4. Build global influence: to ensure that Canadian researchers have access to the infrastructure necessary to make important and influential contributions to the global research enterprise while maximizing the benefits for Canada.
5. Establish a trusted voice: to ensure that the CFI communicates the value and impact generated by its infrastructure investments.
6. Track impacts: to ensure that the CFI accurately assesses the value and impact of its infrastructure investments.

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During 2013-14, the CFI undertook a number of specific actions to begin implementing the strategic directions adopted by the CFI Board at its March 2012 meeting. These actions included:

- Maintaining the integrity of the CFI adjudication process to ensure that only those research projects that meet the highest levels of excellence receive support;
- Placing greater emphasis on sustainability in projects that receive CFI funding;
- Developing funding partnerships with NSERC, CIHR, SSHRC and Genome Canada to improve the efficiency and effectiveness of research support application processes and increase the impact of federally funded research and technology development;
- Engaging with researchers and research funding agencies in the United States and Europe to learn about best practices in large-scale research facility management, gathering insights on research trends and trajectories related to key challenges, and discussing how to maximize collaboration for the purposes of increased use of, and impact from, research infrastructure;
- Implementing the 2012 CFI communications strategy to better inform Canadians about the value and impact of federal investments in research infrastructure;
- Developing new evaluation methodologies, such as the *Pilot Socioeconomic Impact Analysis of CFI and CIHR Funding: Medical Imaging R&D*, to better assess and evaluate the impacts of research infrastructure on Canada's research capacity; and
- Conducting the first Platform Outcome Measurement Study on the CFI-funded Canadian Research Knowledge Network to assess, understand and communicate the overall impact of major investments in research infrastructure.

### The CFI suite of funds

**Innovation Fund:** the CFI's flagship support mechanism provides a broad range of awards for leading-edge research infrastructure across all disciplines and areas of research.

**John R. Evans Leaders Fund:** a responsive funding mechanism designed to ensure that institutions have the infrastructure resources necessary to attract and retain top research talent.

**Major Science Initiatives Fund:** provides unique, large-scale national research facilities with the operating funds necessary to produce excellent, world-class science and technology development.

**College-Industry Innovation Fund:** supports emerging applied research capacity in Canada's colleges and polytechnics.

**Infrastructure Operating Fund:** provides a 30 percent supplement to CFI capital awards to ensure that infrastructure is installed, tested, calibrated and made fully operational.

#### Ongoing special initiatives

**Automotive Partnerships Canada:** provides essential infrastructure support for leading-edge automotive research initiatives.

#### One-time strategic partnerships

**Digging into Data:** a unique multi-national funding initiative that supports computationally-intensive social science and humanities research on the use of big data.

**Discovery Frontiers:** a joint funding initiative with NSERC, CIHR and Genome Canada to support innovative research on computationally-intensive genomics challenges.

## 2.0 – RESULTS 2013-14

Before launching its next round of competitions in connection with the 2012 and 2013 Federal Budget allocations, the CFI consulted broadly with Canada’s academic, government, business and not-for-profit sector partners to:

- Explore current and emerging issues facing the research community;
- Determine the value and appropriateness of the present program parameters; and
- Identify any program adjustments that would help the CFI meet its overall objectives.

A discussion paper was posted on the CFI website in May and stakeholder meetings were held in May, June and July. The consultations focused specifically on CFI’s core activities, including the John R. Evans Leaders Fund (formerly the Leaders Opportunity Fund), the Leading Edge and New Initiatives Funds (known from now on as the Innovation Fund), the College-Industry Innovation Fund and the Infrastructure Operating Fund.

In general, the contributors to the consultation, including those from universities, colleges, associations and government agencies, were very satisfied with the overall architecture and delivery of CFI’s core funding activities. The vast majority of the recommendations offered by the contributors related to relatively minor procedural adjustments, clarifications of guidelines, and generally increasing flexibility in the use of CFI funds. These recommendations, where appropriate, will be incorporated into future competitions.

In conjunction with SSHRC, NSERC and CIHR, the CFI has also conducted a series of investigations and consultations related to the cyber-infrastructure requirements of Canada’s research community. These activities are intended to provide the CFI with concrete advice on how best to support research infrastructure in areas such as advanced computing, data management, high-speed networking, and scientific software development. In January 2014, the CFI hosted a consultation workshop with twenty of Canada’s most accomplished researchers, across a wide variety of disciplines, to explore and identify the most important scientific challenges that could be addressed through the use of cyber-infrastructure. The knowledge gained through these consultations will help inform and guide the CFI’s future investments in this area.

### 2.1 – OBJECTIVE 1: ATTRACT AND RETAIN THE WORLD’S TOP RESEARCH TALENT

#### John R. Evans Leaders Fund (JELF)

The John R. Evans Leaders Fund provides awards to outstanding researchers through four funding streams: 1) a stand-alone stream where institutions submit applications directly to the CFI; 2) a stream that operates in conjunction with the Canada Research Chairs Program; 3) a stream that operates jointly with NSERC, CIHR and SSHRC to reduce applicant burden; and 4) a stream for larger projects in the \$1 million to \$2 million range. From the March 2013 Board of Directors meeting to January 30, 2014, the CFI committed approximately \$74.4 million to 423 projects to assist universities in attracting and retaining highly qualified researchers.



## **2.2 – OBJECTIVE 2: ENABLE WORLD-CLASS RESEARCH AND TECHNOLOGY DEVELOPMENT THAT LEADS TO SOCIAL, ECONOMIC, ENVIRONMENTAL AND HEALTH BENEFITS FOR CANADA**

### **Leading Edge Fund (LEF) and New Initiatives Fund (NIF)**

The LEF and NIF provide awards to institutions for the development of state-of-the-art research infrastructure across all disciplines and in areas of institutional priority. Results for the latest competition were announced in November 2012. The CFI typically launches a large national open competition approximately every 24 to 30 months. Funding decisions are expected in March 2015.

### **Major Science Initiatives (MSI) Fund**

The MSI Fund provides contributions to help cover a portion of the operating and maintenance costs of unique, large-scale national research facilities. The four Major Science Initiatives that were successful in the 2012 competition have finalized their awards and are now using the funding to optimize their operations, management and governance with a view to fully exploit their scientific capabilities. All four MSIs have secured partner funding for at least the first two years of the award. Furthermore, they are developing performance metrics and implementing recommendations and corrective measures as directed in the award conditions. The CFI continues to meet regularly with each of the four successful applicants to help identify best practices in the use of MSI funds and their activities, as well as to discuss the integrated oversight framework and annual financial and performance reporting requirements.

The CFI also held its inaugural MSI workshop in Ottawa during the spring of 2013. This event brought together delegations from each of the four funded MSIs, as well as internationally-recognized experts in the fields of governance, management and operations of large scale science facilities. The purpose was to share experiences, expertise and best practices in the operations and governance of major science facilities.

### **Infrastructure Operating Fund (IOF)**

In accordance with the two current funding agreements, the CFI continued to provide partial support for the operating and maintenance costs of CFI-funded research infrastructure. IOF funds are committed at the rate of 30 percent of the original CFI award under the John R. Evans Leaders Fund, the Leading Edge Fund, the New Initiatives Fund, the Automotive Partnership Canada Fund and the College-Industry Innovation Fund.

### **Digging into Data Challenge**

The Digging into Data Challenge aims to address how “big data” changes research in the humanities and social sciences, and answer the question of what new, computationally-based research methods and techniques will be needed to search, analyze, and help create the new research infrastructure for 21st century scholarship. The third round of the Digging into Data Challenge was sponsored by ten funding agencies in four countries, including SSHRC, NSERC, the CFI, the Institute of Museum and Library Services (U.S.A.), the National Endowment for the Humanities (U.S.A.), the National Science Foundation (U.S.A.), the Joint Information Systems Committee (U.K.), the Economic and Social Research Council (U.K.), the Arts and Humanities Research Council (U.K.) and the Netherlands Organization for Scientific Research. Following an international merit review process, one proposal with a CFI request was recommended for funding. A research infrastructure award of \$75,000 was subsequently approved by the CFI’s Board of Directors at its November 2013 meeting.

### **Discovery Frontiers: Advancing Big Data Science in Genomics Research**

CFI is one of four funding agencies partnering in the Discovery Frontiers program. Led by NSERC, this funding program also involves Genome Canada and CIHR. The objective is to support one major research initiative, with strong international linkages, to develop tools and methodologies for integrating

various types of “-omics” data (e.g., genomics, proteomics, metabolomics) and data sets originating from diverse scientific disciplines/fields. This initiative will bring together experts from a wide range of disciplines, to focus on exploring and developing diverse computational and mathematical approaches and techniques. Of the eleven Notices of Intent received, six were invited to submit a full proposal in November 2013. The CFI funding decision for the successful proposal will be made in March 2014.

### **Research Hospital Fund (RHF)**

Post-award activity related to the Large Scale Institutional Endeavours component of the fund (awarded in June 2008) continued throughout 2013-14. These activities include the ongoing monitoring of project implementation to ensure accountability. For these exceptionally large-scale infrastructure projects involving complex construction and renovation, the CFI continued to monitor a set of key performance indicators to measure and improve the performance of governance structures, implementation plans, and budgeting and risk management practices for each funded project. The majority of the projects are now complete. The remaining few are nearing completion.

## **2.3 – OBJECTIVE 3: SUPPORT PRIVATE-SECTOR INNOVATION AND COMMERCIALIZATION**

In addition to the CFI’s overall strategic approach to fostering innovation and technology development across all sectors and in all funding activities, the CFI remained directly involved in two initiatives specifically designed to support private-sector innovation and commercialization.

### **College-Industry Innovation Fund (CIIF)**

The CIIF provides research infrastructure awards to colleges that have developed research partnerships with the private sector. The CIIF consisted of two separate streams: 1) the CFI received proposals directly from colleges that have established partnerships with private sector organizations; and 2) the CFI received proposals that are jointly submitted to NSERC’s College-Community Innovation Program, Innovation Enhancement Grants. The second competition resulted in 15 awards, representing a total CFI investment of \$8.7 million. These were approved by the CFI Board in March 2013. The vast majority of successful applicants from 2012-13 began implementing their projects in early 2013. The third CIIF competition will tentatively be launched in 2014.

The most recent Stream 2 competition was launched in spring 2013, with funding decisions to be made by the CFI Board of Directors in March 2014.

### **Automotive Partnerships Canada (APC)**

At the request of the Minister of Industry, the CFI Board allocated \$15 million to support the Automotive Partnerships Canada initiative. All applications to the CFI under this initiative are subject to a merit-based review and approval by the CFI Board. Requests for research infrastructure funding under the APC are considered when the applicants demonstrate that the infrastructure is an essential part of a larger, integrated project involving research activities supported by other partner agencies. From the March 2013 Board of Directors meeting to January 30, 2014, four APC proposals with a CFI research infrastructure component were approved for funding, for a total investment of \$4.34 million.

## **2.4 – OBJECTIVE 4: ENHANCE ACCOUNTABILITY TO RESPONSIBLY MANAGE PUBLIC FUNDS**

### **a) Assessing impacts**

#### **Operational efficiency and impact**

During 2013-14, Board and senior management information needs were reviewed and the CFI Balanced Scorecard indicators were refined accordingly. The CFI now has a high-level scorecard which is aligned

with the CFI Strategic Roadmap and includes indicators for the six strategic directions as well as CFI corporate assets. The CFI is in the early stages of developing a delivery platform which will enable management to see trends, or to cross a specific indicator with other data elements. To complement the scorecard, the CFI has developed a detailed analysis related to one of the strategic directions — “Build global influence.” This provides management with additional information from a variety of sources including project progress report data.

The timelines for the Overall performance evaluation and value for money audit (OPEA) were compressed by six months, from March 2015 to fall 2014. This has caused the CFI to reprioritize its activities in order to meet the timelines for this important exercise. An external steering committee has been assembled to guide the development and implementation of the OPEA. A Request for Proposals was developed, launched and has resulted in the engagement of an external firm to complete the project. The CFI has provided the selected contractor with an orientation and has responded to their information and data needs.

### **Project progress reports (PPR)**

The CFI has prepared and released its annual Report on results providing a summary of results reported by researchers through our annual PPRs. The CFI has received positive feedback on the design and layout of the Report on results. In an effort to ensure maximal usage of the PPR data the CFI has begun to meet with provincial officials and institutions to offer more customized analysis of subsets of the PPR data. This year the CFI has also begun a special study to better understand the factors underlying the usage patterns of CFI-funded infrastructure.

### **Outcome assessment**

Work has begun on the refinement of the Outcome measurement study (OMS) approach in order to maintain the strengths of the OMS methodology while working towards an assessment with a national perspective. In an effort to identify options for thematic studies at a national level, the CFI reviewed funding and compared to some of the more common research priorities noted in institutional strategic research plans.

In 2013-14, the CFI released the first Platform outcome measurement study (POMS) expert panel report focused on the Canadian Research Knowledge Network (CRKN). This exercise demonstrated that the investment in the CRKN project by the CFI, institutions and provincial government partners was essential, timely and catalytic, and has already been returned many times over. The CFI has met with two additional organizations regarding their participation in a future POMS, and are currently discussing timelines to ensure their full engagement in the study.

In 2013-14, the CFI, in collaboration with the Canadian Institutes of Health Research (CIHR), completed a highlights piece for the socioeconomic impact assessment in the area of medical imaging. This study permitted a system-level analysis and found that not only did the technology under study demonstrate approximately a two-fold return; it also suggests that an open and competitive research funding environment enables leading researchers to advance concepts and commercialize their ideas. Project materials were made publicly available through both the CFI and CIHR websites.

## **b) Monitoring and reporting financial results**

### **Investment plan**

In compliance with its two funding agreements, the CFI continued to invest funds allocated by the Government of Canada in accordance with its established investment strategy and investment policy. The principal objective of the investment strategy and subsequent investment decisions has always been the preservation of capital to meet future cash requirements. Consequently, the CFI adhered to a buy-and-

hold strategy to ensure that investment maturities matched the forecasted cash requirements of the CFI. Both the CFI investment strategy and investment policy were reviewed in the fall of 2013 by the CFI Investment committee. This Board of Directors committee is charged with overseeing the management and investment of CFI funds.

In recent years, the Government of Canada has changed the way it makes payments to the CFI. Instead of being provided in lump-sum payments, federal funding is now provided in annual installments, based on the estimated cash requirements for the year. For example, the 2010 funding agreement refers to upfront, multi-year funding. Consequently, the investment balance will decrease over the next few years. Investment income is also expected to decrease in the coming years as higher-earning investments mature and the investment balance decreases, and because any new funding received will be invested on a shorter-term basis with lower rates of return. The CFI anticipates that disbursements of funds in 2014-15 will remain at a high level as several previously approved projects reach maturity and as projects approved under the most recent 2010 funding agreement are implemented.

Appendix 3 provides a summary of the CFI investment portfolio as of December 31, 2013.

### **Financial monitoring visits**

Monitoring visits are routinely conducted at recipient institutions to assess the adequacy of policies, processes and controls in place for the management of CFI-funded projects. In 2013-14, the financial monitoring team conducted six monitoring visits.

### **Contribution audits and other cost reviews**

The CFI also routinely conducts contribution audits to ensure that the funding received by an institution for a given project has been used in accordance with agreed-upon terms and conditions of the award agreement, as well as with all other applicable CFI policies and guidelines. The CFI uses a risk-based approach to select institutions that are visited and projects that are subjected to audit or other cost reviews. In 2013-14, the CFI performed twelve contribution audits or other cost reviews.

### **Financial reports**

The CFI requires institutions to submit interim and final financial reports for each CFI-funded project. Institutions submit the reports at specific intervals, based on the risk of each project. Each financial report submitted is reviewed by the CFI and any issues identified are addressed. Almost 800 financial reports were received and reviewed in 2013-14.

## **c) Communicating with Canadians**

In 2013-14, the CFI reached out to its traditional audiences — governments, institutions, researchers, Canadians — and to new audiences — the private sector, business organizations — to highlight its role as a key pillar in supporting world-class research and innovation.

In continuing to strive to be an online organization, the CFI refined the content on its corporate website, Innovation.ca, producing rich multimedia features on topics relevant to Canadians, such as research that is helping solve Canada's municipal infrastructure challenges. The CFI also increased its social media efforts, produced 10 issues of its online newsletter, *Innovation now*, and created more multimedia content.

To help meet part of the CFI mandate to enhance the capacity of our funded institutions to use their research infrastructure in support of innovation and commercialization, the CFI expanded its outreach to industry and the private sector with the launch of the Research Facilities Navigator.

Created to help businesses connect with research facilities as a first step towards establishing partnerships and collaborations, the Navigator is an online directory of research labs and facilities in universities, colleges and research hospitals across Canada that are open to working with business. More than 300 labs from virtually every discipline volunteered to be part of the Navigator, and the number is expected to grow. Each entry lists the advanced research equipment and research expertise available to businesses. The CFI has opened new avenues of communication and broadened its conversations with associations such as the Canadian Manufacturers & Exporters, the Forest Products Association of Canada, and the Alliance for the Commercialization of Canadian Technologies, along with industry-facing organizations, such as the National Research Council's Industrial Research Assistance Program (IRAP) and Mitacs.

The CFI was also visible as a key player in Canada's innovation scene. In November, the CFI worked with *The Globe and Mail* on a 12-page supplement, "Research to innovation to enterprise," which showcased university and college research partnerships with the private sector. The supplement included opinion pieces by Dr. Gilles Patry, president and CEO of the CFI, and the Honourable Greg Rickford, Minister of State (Science & Technology). Dr. Patry also published opinion pieces in *The Hill Times* and *Research Money*, and national and regional media picked up a number of stories on the research enabled by CFI funding.

### **d) Improved program delivery and services**

The CFI carried out a variety of initiatives designed to improve program delivery in 2013-14, ensure accountability and adjust existing processes to better meet objectives.

#### **Reducing administrative burden associated with CFI awards**

The CFI is actively working to reduce, wherever possible, the administrative requirements associated with CFI awards, without compromising accountability. In addition, the CFI is working with institutions to ensure that they do not impose additional, unnecessary administrative burdens on themselves. In an attempt to reduce or eliminate risk, some institutions have adopted excessively complex processes and controls. To address this, the CFI reviewed a number of its own processes, activities and requirements and invited institutions to do the same through a collaborative effort. Following the analysis of more than 300 responses to a web-based survey from CFI stakeholders, a series of burden-reducing policies and processes were implemented in 2013-14, accompanied by significant revisions to the CFI Policy and program guide as well as a number of application system improvements to enable these new burden-reducing processes. The response of CFI-funded institutions to these changes has been positive and appreciative.

#### **More effective oversight and monitoring of CFI projects**

The CFI's programs, finance and evaluation and outcome assessment teams conducted a comprehensive review of CFI's oversight processes related to funding decisions, project implementation and project completion. The review covered CFI policies, oversight activities and the integration of tools for risk assessment and management. As a result, the CFI has implemented a revised institutional monitoring visit approach, the Tool for Risk Assessment and Management (TRAAM) for funded projects, revised reporting frequencies for financial reports and project progress reports. All of these improvements have been well-received by institutions and their research administration staff.

#### **CFI Awards Management System (CAMS)**

The CFI inserted a new release into CAMS during 2013-14. This new release accommodates the emerging needs of the program unit by providing additional configurability to the generic fund modules launched last year. This added configurability will allow the CFI to launch and administer new competitions without further information system development.

The CFI has addressed the issue of integration with the Canada Research Chairs (CRC) program, resulting from their transition from CFI hosting to a separate CRC system. Concurrent activity of the CFI migration to CAMS and the CRC transition to a CFI hosted, but segregated, environment, pending CRC's migration to their new system late in 2014, has resolved the integration issues. Once the CRC's new system is in place, the two systems will be integrated as required.

Significant progress has been made in implementing the CAMS post-award functions. Analysis is complete and systems development will be nearing completion by the end of 2013-14. Testing of the post-award modules commenced late in 2013 and will continue through the summer of 2014, with production deployment planned for the fall of 2014. Due to the financial aspects of these post-award modules, CFI's approach is intentionally risk-averse.

**Information technology strategy**

During 2013-14, the CFI initiated activities identified within the CFI's information technology (IT) roadmap starting with filling revised and new information services staffing positions resulting from reorganization of the business function. The information services unit has now initiated a training plan and information management (IM) strategy with an initial focus on business intelligence in order to make better use of existing information. As well, an internal project management office is being established at the CFI to better manage future projects. Finally, the information services unit is introducing a technology watch function in IM/IT and business services areas to assess the value of new technologies as they come to market.

### **3.0 – CORPORATE PLAN 2014-15**

To effectively communicate the CFI's goals for 2014-15, this corporate plan is organized according to the specific objectives that stem from the 2010 CFI funding agreement, the previous funding agreement and the CFI's activities to ensure accountability and effective communication. It is critical that all stakeholders fully appreciate that all CFI funding activities are designed to attract and retain top research talent, enable world-class research and technology development, support private-sector innovation, help train the next generation of researchers and create economic opportunity for Canadians. To achieve these objectives, the CFI will be guided by the strategic directions adopted by the CFI Board of Directors.

As part of the CFI's commitment to continuous improvement, these objectives are accompanied by a description of initiatives the CFI will undertake to improve its program and service delivery.

In addition to the actions outlined here, the CFI will continue to work with other federal research support agencies to identify and define the cyber-infrastructure needs of the Canadian research community; and engage with international counterparts in the United States and Europe on how to maximize the use and impact of Arctic and marine research infrastructure.

### **3.1 – OBJECTIVE 1: ATTRACT AND RETAIN THE WORLD'S TOP RESEARCH TALENT**

#### **John R. Evans Leaders Fund (JELF)**

The CFI will continue to receive and review JELF applications and will grant infrastructure awards to outstanding candidates that have been recommended by research institutions. This fund provides awards to outstanding researchers through two funding streams: 1) a stand-alone stream where institutions submit applications directly to the CFI for proposals up to \$2 million in total costs; 2) a partnership stream that operates in conjunction with NSERC, SSHRC, the Canada Research Chairs and Canada Excellence Research Chairs programs, with the objective to reduce applicant burden. As a result of the CFI's 2013 summer consultation, a number of operational improvements were made, including the integration of the former annual \$1- to \$2-million competition for large projects into the regular stand-alone stream.

### **3.2 – OBJECTIVE 2: ENABLE WORLD-CLASS RESEARCH AND TECHNOLOGY DEVELOPMENT THAT LEADS TO SOCIAL, ECONOMIC, ENVIRONMENTAL AND HEALTH BENEFITS FOR CANADA**

#### **Innovation Fund 2015**

Following extensive consultations over the summer of 2013, the CFI designed, developed and sought feedback on a draft Call for Proposals for its next large, open, national competition. The objectives of the next Innovation Fund competition are to enable institutions and their best researchers to:

- Strive for global leadership by conducting world-class transformative research and technology development in areas of institutional strategic priority;
- Forge productive, value-added partnerships within and among institutions, sectors and disciplines to nurture creativity and innovation that will result in the effective and sustainable use of the research infrastructure and facilities; and
- Identify and develop plans and potential pathways to social, health, environmental and economic benefits for Canada, including better training and improved skills for highly qualified personnel.

Funding decisions are tentatively scheduled to be made by the CFI Board of Directors in March 2015.

### **Major Science Initiatives Fund (MSI Fund)**

The CFI will continue to work closely with the four original MSI awardees as they aim to optimize their operations, management and governance in order to fully exploit their scientific capabilities. The CFI will organize a second annual MSI workshop in the spring of 2014, and will initiate the MSI mid-term review process later in the year. Each MSI will undergo a rigorous expert review to assess their operations, management and governance structures. As well, the CFI will assess the overall impact of MSI funding. Decisions for the remaining two years of MSI funding will be made by the CFI Board of Directors at their March 2015 meeting.

As determined by the Minister of Industry, up to \$25 million of accrued interest income set aside for evolving priorities will be used by the CFI to deliver a special MSI competition. This initiative will provide grants to eligible recipients to support the operations and maintenance (O&M) of unique national research facilities over a three-year period (2014-15 through 2016-17).

The CFI will launch this special MSI competition in early 2014. This one-time competition will broaden the MSI eligibility criteria to include:

- A greater range of facilities, both in size and complexity, across all research disciplines;
- Facilities with diverse levels of CFI investment (not restricted to a one-time \$25 million capital investment); and
- Facilities without previous CFI investments that meet all other eligibility requirements.

The support provided through this competition is intended to enable unique national research facilities to operate at an optimal level and to fully exploit their scientific capabilities, as well as to promote the adoption of best practices in governance and management, including long-term strategic and operational planning in keeping with the scale and complexity of the facility.

### **Research Hospital Fund (RHF)**

For the few remaining large-scale infrastructure projects involving complex construction and renovation that are not yet complete, the CFI will continue to monitor a set of key performance indicators to measure and improve the performance of governance structures, implementation plans, and budget and risk management practices for each funded project. The CFI expects that all RHF projects will be completed in the coming year.

### **Discovery Frontiers: Advancing Big Data Science in Genomics Research**

Following merit review of the six invited proposals to be conducted in early 2014, the CFI funding decision for the successful proposal will be made in March 2014.

### **Infrastructure Operating Fund (IOF)**

In accordance with current funding agreements, the CFI will continue to provide partial support for the operating and maintenance costs of CFI-funded research infrastructure. IOF funds are committed at the rate of 30 percent of the original CFI award under the John R. Evans Leaders Fund, the Innovation Fund, the Automotive Partnership Canada Fund and the College-Industry Innovation Fund.

## **3.3 – OBJECTIVE 3: SUPPORT PRIVATE-SECTOR INNOVATION AND COMMERCIALIZATION**

### **College-Industry Innovation Fund (CIIF)**

For the CIIF, the CFI solicits infrastructure funding proposals under two separate streams: 1) directly from colleges that have established partnerships with private sector organizations; and 2) proposals that are jointly submitted to NSERC's College-Community Innovation Program, Innovation Enhancement Grants.



## Corporate Plan 2014-15

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For the current Stream 2 competition, funding decisions will be made by the CFI Board of Directors in March 2014. The CFI expects to launch the next competitions in mid-2014.

Following the 2013 CFI consultation, improvements to the CIIF guidelines will be implemented in time for the next competitions. As a result of continued low participation under Stream 2, the CFI will monitor the situation to determine the longer term viability of the joint NSERC College-Community Innovation Program collaboration.

### **Automotive Partnerships Canada (APC)**

At its March 2009 meeting, the CFI Board allocated \$15 million to support this initiative, with all applications subject to a merit-based review and approval by the CFI Board. Requests for research infrastructure funding under the APC are only considered when the applicants demonstrate that the infrastructure is an essential part of a larger, integrated project involving research activities supported by other partner agencies. The CFI will continue to participate in the APC in 2014-15.

## **3.4 – OBJECTIVE 4: ENHANCE ACCOUNTABILITY TO RESPONSIBLY MANAGE PUBLIC FUNDS**

### **a) Assessing impacts**

#### **Operational efficiency and impact**

In 2014-15, the CFI will explore different reporting and visualization approaches to maximize the ease of use, and therefore the utility, of the CFI Balanced Scorecard. The CFI will move to a regular annual cycle for refreshing the scorecard information and will continue to develop additional indicators and information for the strategic objectives and the CFI assets. Although the CFI is moving into routine implementation, it envisions the scorecard as a dynamic tool and will thus continue to look for and implement improvements.

The Overall performance evaluation and value for money audit (OPEA) will be completed in 2014-15. The draft report will be presented to the CFI Board of Directors in November 2014 and then shared with the evaluation unit at Industry Canada. Once Board feedback is considered and addressed, the report will be finalized and submitted to the Minister of Industry, as well as posted to the CFI website.

In 2014-15, the CFI will begin the process of updating and refreshing the CFI Performance, evaluation, risk, and audit framework (PERAF). The CFI expects that the OPEA will help identify both strengths and gaps in our current PERAF, which will facilitate its revision. As part of the refresh, the CFI will develop an overall evaluation strategy for the coming three to five years. This strategy will be shared with Industry Canada as part of the revised PERAF.

#### **Project Progress Reports**

The CFI will prepare and release its annual Report on results based on annual Project Progress Reports data. The organization will continue to explore ways of maximizing the use and value of the data, including promoting the option for customized analyses of subsets of data. The CFI will complete an infrastructure use assessment and will explore the data for other interesting and relevant topics for detailed study.

#### **Outcome assessment**

In 2014-15, the CFI will finalize the selection of a topic for an Outcome Measurement Study (OMS) and consult with institutions that have prioritized the selected thematic area to ensure the organization has institutional support. The CFI will also engage a group of national and international subject matter experts, as well as evaluation methodologists, to optimize the methodological approach. Implementation of the approach is anticipated to start in mid-to-late 2014-15.

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In 2014-15 the CFI expects to undertake the majority of the work on the next two Platform Outcome Measurement Studies. The CFI will continue to work closely with the selected platforms to ensure the process is as efficient as possible and the tools used are customized to each platform's unique context. The organization is optimistic that timing will permit both panel visits to occur in 2014-15, and one expert panel report to be completed. Once finalized, these reports will be available to the public through the CFI website.

In 2014-15 the CFI will also begin preliminary work on a new socioeconomic impact assessment project. Our goal is to work in collaboration with other federal funding agencies. The initial steps will include the identification of a topic area and the development of a suitable approach. These efforts will benefit from lessons learned through our past experience.

### **b) Communicating with Canadians**

In the lead up to the 20<sup>th</sup> anniversary of the CFI and the sesquicentennial of the country in 2017, the CFI will focus its 2014-15 communications activities to strengthening its role as a trusted voice in the national conversation on research and innovation in Canada.

The CFI will continue to bolster its online presence, producing multimedia material that showcases Government of Canada investments in science and technology through the CFI and that is relevant and meaningful to Canadians. The CFI will aim to effectively disseminate these "success stories" through mainstream media and social media, as well as through topical opinion pieces that will aim to advance the discourse on innovation in Canada.

The CFI will continue to reinforce the important role the Government of Canada and CFI play in the country's research and innovation ecosystem, supporting both discovery and applied research in all disciplines. As well, the CFI will also look to address new audiences in an effort to emphasize the value of collaborations between academia and the private sector. This will help promote the use of the CFI Research Facilities Navigator, which is anticipated to expand in the coming year. The CFI will continue to build relationships with business groups, national industry organizations, provincial innovation councils and industry-facing liaisons to encourage the use of the Navigator as a tool to foster productive research partnerships and collaborations.

The CFI will coordinate national funding announcements for the results of both the John R. Evans Leaders Fund along with the expanded Major Science Initiatives Fund, and will prepare communications plans for announcing the results of both the Innovation and College-Industry Innovation funds in 2015.

### **c) Improving program delivery and services**

#### **Best practices: managing for success**

The CFI will pursue coordinated efforts to gather information and intelligence on evolving best practices in the effective and efficient management of research facilities. To this end, the plan is to draw on the analysis of CFI data contained in annual Project progress reports and financial reports, and on intelligence gathered by attending focused workshops, and through institutional visits. The overriding objective is to keep abreast of changes in the management of unique and complex facilities, both in Canada and abroad. The intelligence gathered will serve as a resource for Canadian facilities.

#### **Refining the CFI's program architecture**

As part of its commitment to continuous improvement and meaningful stakeholder engagement, the CFI will implement a number of revisions to its policies and program guidelines in the coming year. In particular, top priority will be given to ensuring that CFI policies, such as supporting the forging and fostering of productive partnerships, are aligned with the 2012-17 Strategic Roadmap. A focused

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consultation on the proposed cyberinfrastructure initiative, announced in the 2013 Federal Budget, will occur in the first part of 2014. This will help the CFI develop a mechanism that will maximize the impact of funding allocated through this initiative.

### **CFI Awards Management System (CAMS)**

Planned CAMS developments for 2014-15 include the launch of the CFI's suite of post-award modules: project decisions, award finalization, amendments, financial reporting, award payments and administration, and administration of the infrastructure operating fund including administration, reporting and payments. The deployment of these post-award modules will take place later in 2014.

With the completion of the CAMS project, CFI will move into a maintenance and enhancement mode with CAMS 2.0. Work will start in winter 2014 to define the scope of any necessary enhancements.

### **Information technology strategy**

During 2014-15, the CFI will proceed to full implementation of a Project Management Office, and will complete the Information services training strategy, including the identification and implementation of training options and instructional tools. Further work will be undertaken to develop and implement a comprehensive information management strategy and conduct the first annual review of the Information technology roadmap.

### **d) Summary of planned expenditures and commitments**

The following tables provide a summary of CFI's planned expenditures under the three distinct funding agreements, as well as the committed and projected amounts for two fiscal years.

Please refer to Appendix 2 for the cash flow statement.

Table 1: Planned expenditures

Original Funding Agreement						
Fund	2012-13 (Actual - \$M)		2013-14 (\$M)		2014-15 (Projected - \$M)	
	Board Commitments	Disbursements	Commitments (Projected 12 months)	Disbursements (Actual 6 months)	Board Commitments	Disbursements
Canada Research Chairs		0.2		0.1		0.1
Digging into Data / Discovery Frontiers			2.0			1.0
Exceptional Opportunities		0.8				2.8
Innovation		9.1		2.7		3.5
International		9.3		2.2		4.7
John R. Evans Leaders Fund (JELF)		69.3	10.0	18.2	53.0	34.8
Leading Edge/New Initiatives	11.0	156.1		49.3		71.2
National Platforms		6.8		0.2		1.3
New Opportunities		0.1		0.5		
Research Hospital		153.1		9.2		48.1
Automotive Partnerships Canada	1.0	2.7	5.0	0.6	3.0	3.1
Infrastructure Operating	3.0	103.1	3.0	32.6	30.0	93.0
Major Science Initiatives (MSI)					25.0	8.0
Innovation Fund 2015					46.0	
<b>Total awarded/disbursed</b>	<b>15.0</b>	<b>510.6</b>		<b>115.6</b>		
<b>Projected 12 months</b>			<b>20.0</b>	<b>264.5</b>	<b>157.0</b>	<b>271.6</b>
2010 Funding Agreement (\$600M)						
John R. Evans Leaders Fund (JELF)	61.0	10.8	79.0	33.0		70.1
Leading Edge/New Initiatives	155.0			29.6		57.1
College-Industry Innovation	10.0	5.1	3.0	4.7		8.3
Major Science Initiatives (MSI)		23.2		11.6	7.0	27.9
Infrastructure Operating	68.0		25.0			0.8
<b>Total awarded/disbursed</b>	<b>294.0</b>	<b>39.1</b>		<b>78.9</b>		
<b>Projected 12 months</b>			<b>107.0</b>	<b>167.7</b>	<b>7.0</b>	<b>164.2</b>
2014 Contribution Agreement (\$499.85M)*						
John R. Evans Leaders Fund (JELF)					45.9	13.8
Innovation Fund 2015					206.2	
Infrastructure Operating					75.6	
<b>Projected 12 months</b>					<b>327.7</b>	<b>13.8</b>

\*Pending completion of the 2014 Contribution Agreement

**Table 2: Committed and projected amounts 1998 to 2015 and later**

Original Funding Agreement	
Fund	Cumulative commitments to September 30, 2013 (\$M)
Innovation	1,782
Canada Research Chairs Infrastructure	199
John R. Evans Leaders Fund (JELF) and New Opportunities	840
Leading Edge/New Initiatives	851
Research Hospital	499
International	202
National Platforms	84
Infrastructure Operating	1,005
Other Funds	32
<b>Total – Cumulative commitments (\$M)</b>	<b>5,494</b>
2010 Funding Agreement (\$600M)	
John R. Evans Leaders Fund (JELF)	82
Leading Edge/New Initiatives	155
College-Industry Innovation	22
Major Science Initiatives (MSI)	178
Infrastructure Operating	77
<b>Total – Cumulative commitments (\$M)</b>	<b>514</b>

Original Funding Agreement				
Projected commitments — remainder of 2013-14 to 2015 and later				
Fund	2013-14	2014-15	2015 and later	Total
John R. Evans Leaders Fund (JELF)	10	53	6	69
Infrastructure Operating	3	30	13	46
Automotive Partnerships Canada	1	3		4
Digging into Data/ Discovery Frontiers	2			2
Innovation Fund 2015		46		46
Cyber-Infrastructure			39	39
MSI and Future Pressures		25	25	50
<b>Total- Projected (\$M)</b>	<b>16</b>	<b>157</b>	<b>83</b>	<b>256</b>
2010 Funding Agreement (\$600M)				
John R. Evans Leaders Fund (JELF)	58			58
College-Industry Innovation	3			3
Major Science Initiatives		7		7
Infrastructure Operating	19			19
<b>Total- Projected (\$M)</b>	<b>80</b>	<b>7</b>	<b>0</b>	<b>87</b>

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<b>2014 Contribution Agreement (\$499.85M)*</b>				
<b>Projected commitments — remainder of 2013-14 to 2015 and later</b>				
<b>Fund</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015 and later</b>	<b>Total</b>
John R. Evans Leaders Fund (JELF)		45.90	94.10	140
Innovation Fund 2015		206.20		206.20
College-Industry Innovation			38.35	38.35
Infrastructure Operating		75.60	39.70	115.30
<b>Total- Projected (\$M)</b>		<b>327.70</b>	<b>172.15</b>	<b>499.85</b>

\*Pending completion of the 2014 Contribution Agreement

**Table 3: Summary of committed and projected amounts (\$M)**

<b>Fund</b>	<b>Original Funding Agreement</b>	<b>2010 Funding Agreement</b>	<b>2014 Contribution Agreement*</b>
Committed by CFI Board	5,494	514	0
Projected	256	87	499.85
<b>Total (\$M)</b>	<b>5,750</b>	<b>601</b>	<b>499.85</b>

\*Pending completion of the 2014 Contribution Agreement

# APPENDIX 1 – THE CFI LOGIC MODEL AND EXPECTED RESULTS FROM THE 2010 FUNDING AGREEMENT

Figure 1: CFI logic model

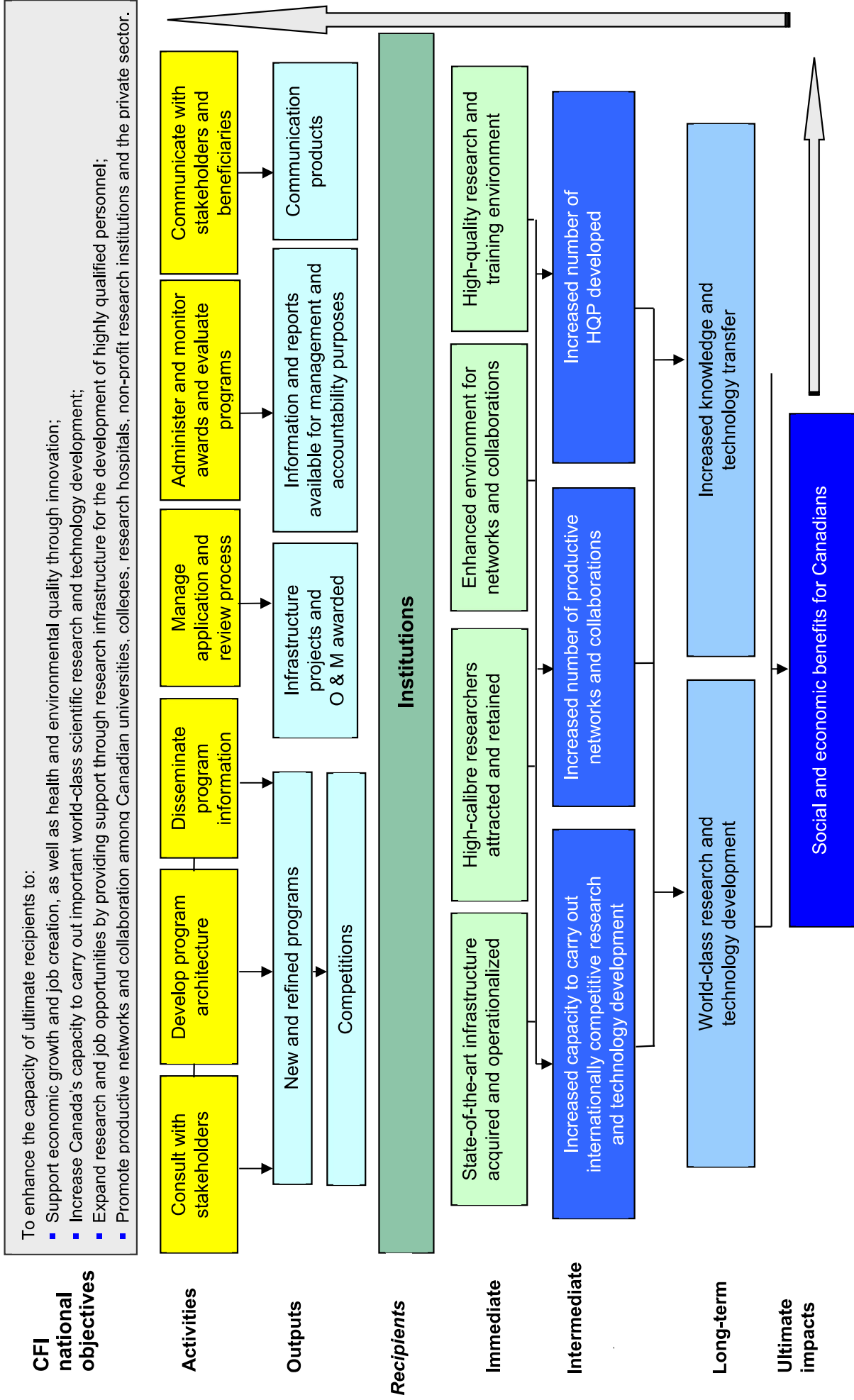
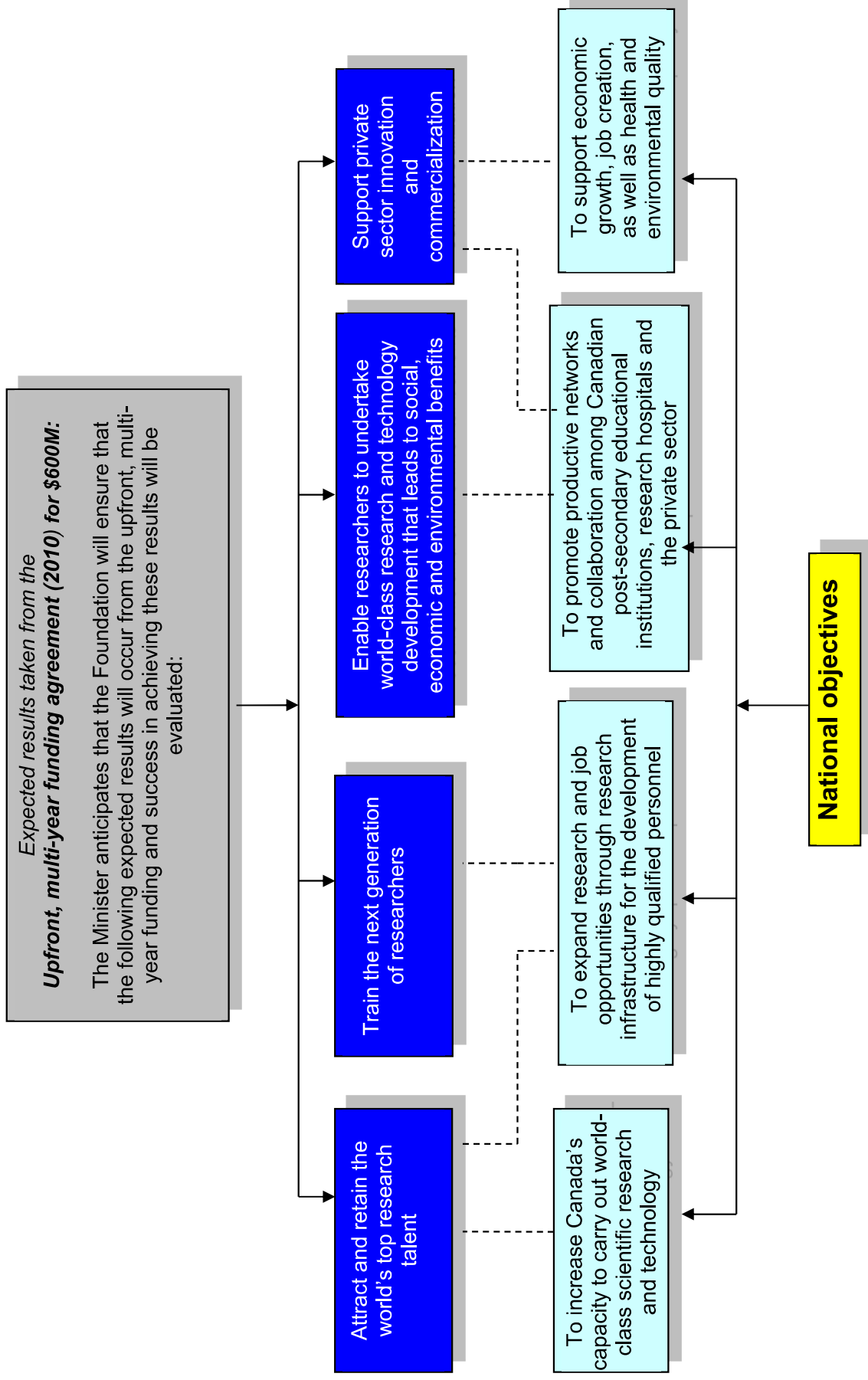




Figure 2: Expected results from the 2010 CFI funding agreement



## APPENDIX 2 – THE CFI CASH FLOW STATEMENT AND COMMITMENTS VS CASH

**Original Funding Agreement**

**Cash flow for the period April 1, 2013 to March 31, 2015 (\$M)**

	<b>Cash flow</b>	
	<b>Fiscal</b>	
	2013-14	2014-15
Fund/Cumulative as at April 1	<b>1,144.0</b>	<b>884.2</b>
<b><u>Less:</u></b>		
Expected disbursements - Projects		
• John R. Evans Leaders Fund (JELF)	(30.7)	(34.8)
• Leading Edge/New Initiatives funds (LEF/NIF)	(99.6)	(71.2)
• Infrastructure Operating Fund (IOF)	(80.6)	(93.0)
• Research Hospital Fund (RHF)	(41.7)	(48.1)
• Others*	(11.9)	(24.5)
	<u>(264.5)</u>	<u>(271.6)</u>
Budgeted operating expenses	<u>(13.7)</u>	<u>(14.4)</u>
	<b>Subtotal</b>	<b>(278.2)</b>
	<u>(278.2)</u>	<u>(286.0)</u>
<b><u>Add:</u></b>		
Anticipated investment income	18.4	15.3
Anticipated fund as at March 31	<u><b>884.2</b></u>	<u><b>613.5</b></u>

\* Includes International Fund, National Platforms, Exceptional Opportunities, New Opportunities, Canada Research Chairs, Innovation Fund, Automotive Partnership Canada, Digging into data/Discovery Frontiers and Major Science Initiatives.

**Original Funding Agreement**

**Commitments vs. cash for the period April 1, 2013 to March 31, 2015 (\$M)**

	Commitments		
	Fiscal		
	2013-14	2014-15	
<b><u>Commitments/Board-approved amounts</u></b>			
Cumulative Board approved amounts at April 1	5,489.4	5,509.4	
<u>Add:</u>			
Expected commitments - Projects			
• John R. Evans Leaders Fund (JELF)	10.0	53.0	
• Infrastructure Operating Fund (IOF)	3.0	30.0	
• Automotive Partnership Canada	5.0	3.0	
• Digging into data/Discovery Frontiers	2.0		
• Major Science Initiatives		25.0	
• Innovation Fund 2015		46.0	
Expected total committed amounts as at March 31	5,509.4	5,666.4	
Remaining JELF allocation	59.0	6.0	
IOF on remaining JELF allocation	17.7	2.0	
<b>Expected committed/allocated as at March 31</b>	<b>5,586.1</b>	<b>5,674.4</b>	
<b><u>Disbursements and unpaid amounts for projects</u></b>			
Cumulative project disbursements as at April 1	4,723.5	4,988.0	
Expected project disbursements for the fiscal year	264.5	271.6	
Cumulative project disbursements as at March 31	<b>4,988.0</b>	<b>5,259.6</b>	
Unpaid Board approved amounts — March 31	598.1	414.8	Liability
<b>Expected committed/allocated as at March 31</b>	<b>5,586.1</b>	<b>5,674.4</b>	
<b><u>Cash available to pay for commitments</u></b>			
Anticipated funds (cash)	884.2	613.5	
Expected unpaid committed amounts — March 31 (Liability)	(598.1)	(414.8)	
Projected future expenses (to 2021) not funded under 2010 FA	(104.9)	(90.5)	
Excess of cash over commitments / (Unfunded liability)	<b>181.2</b>	<b>108.2</b>	

**2010 Funding Agreement**

**Cash Flow for the period April 1, 2013 to March 31, 2016 (\$M)**

<b>Fiscal year</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
<b>Cumulative Surplus (Shortfall) – April 1</b>	83.8	1.8	49.9
<b>Projected Disbursements per Fund</b>			
John R. Evans Leaders Fund (JELF)	53.0	70.1	6.1
Leading Edge/New Initiative	67.7	57.1	13.0
College-Industry Innovation	8.7	8.3	1.8
Major Science Initiatives	38.3	27.9	47.6
Infrastructure Operating	-	0.8	14.4
<b>Total Disbursements</b>	<b>167.7</b>	<b>164.2</b>	<b>82.9</b>
<b>Interest Earned</b>	0.4		
<b>Required appropriation to fund projected disbursements</b>			
Payments received	85.3		
Expected cash flow needs*		212.3	77.9
<b>Cumulative Surplus (Shortfall) – March 31</b>	<b>1.8</b>	<b>49.9</b>	<b>44.9</b>
<b>Cash Available to pay for Commitments</b>			
Cumulative required appropriation to fund projected disbursements	207.3	419.6	497.5
Cumulative commitments/Board approved amounts at March 31	(594.0)	(601.0)	(601.0)
<b>Unfunded Liability</b>	<b>(386.7)</b>	<b>(181.4)</b>	<b>(103.5)</b>

\* Amount needed to cover disbursements for the current year and the projected disbursements in the first two quarters of the following year since payment is received in the summer.

**2014 Contribution Agreement (\$499.85M)**

**Cash Flow for the period April 1, 2013 to March 31, 2016 (\$M)**

<b>Fiscal year</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
<b>Cumulative Surplus (Shortfall) – April 1</b>		0	24.7
<b>Projected Disbursements per Fund</b>			
John R. Evans Leaders Fund		13.8	41.3
Innovation Fund 2015			30.9
<b>Total Disbursements</b>		<b>13.8</b>	<b>72.2</b>
<b>Appropriation per Funding Agreement</b>		<b>38.5</b>	<b>52.9</b>
<b>Cumulative Surplus (Shortfall) – March 31</b>		<b>24.7</b>	<b>5.4</b>
<b>Cash Available to pay for Commitments</b>			
Cumulative appropriation per Funding Agreement		38.5	91.4
Cumulative commitments/Board approved amounts at March 31		327.7	397.4
<b>Unfunded Liability</b>		<b>(289.2)</b>	<b>(306.0)</b>

**Please note:**

While every effort has been made to produce reliable disbursement forecasts, these multi-year disbursement projections are based on assumptions that are likely to change over time, e.g., timing and size of the competitions, schedule of awards made by the CFI Board, disbursement policies for the various funds, ability of institutions to secure their share of the funding, etc.

## APPENDIX 3 – SUMMARY OF CFI INVESTMENT PORTFOLIO AS OF DECEMBER 31, 2013

	<b>Market Value</b>		<b>Limit</b>
	<b>(\$)</b>	<b>%</b>	<b>%</b>
<b>AAA Government</b>			
MBS (guaranteed by CMHC)	413,968,826	39.87%	
British Columbia	4,293,130	0.41%	
<b>Total AAA Government</b>	<b>418,261,956</b>	<b>40.28%</b>	No Limit
<b>AA Government</b>			
Ontario and Ontario Electricity Finance Corp.	100,962,031	9.72%	20.00%
New Brunswick	42,413,145	4.09%	
Manitoba	17,122,122	1.65%	
<b>Total AA Government</b>	<b>160,497,298</b>	<b>15.46%</b>	40.00%
<b>Provincial/Municipal Financing Authorities</b>			
None	-	0.00%	10.00%
<b>Total Provincial/Municipal Financing Authorities</b>	-	0.00%	15.00%
<b>Municipal</b>			
<b>AAA</b> York Region	5,151,855	0.50%	1.00%
<b>Total Municipal</b>	<b>5,151,855</b>	<b>0.50%</b>	5.00%
<b>AAA Corporate</b>			
Imperial Oil	40,069,801	3.86%	10.00%
OMERS Realty Corp & Finance Trust	27,205,127	2.62%	
PSP Capital Inc	12,997,816	1.25%	
CDP Financial	6,997,158	0.68%	
<b>Total AAA Corporate</b>	<b>87,269,902</b>	<b>8.41%</b>	40.00%
<b>AA Corporate</b>			
Royal Bank of Canada	105,200,665	10.13%	10.00%
Royal Bank Of Scotland PLC (MTN Sub.)	59,842,080	5.76%	
Caisse Centrale Desjardins CP	57,923,438	5.58%	
Canadian Imperial Bank of Commerce	45,008,439	4.33%	
Bank of Nova Scotia	44,907,231	4.33%	
HSBC Bank Canada	29,998,200	2.89%	
Bank of Montreal	15,690,060	1.51%	
<b>Total AA Corporate</b>	<b>358,570,113</b>	<b>34.53%</b>	40.00%
<b>Portion of portfolio invested</b>	<b>1,029,751,124</b>	<b>99.18%</b>	
<b>Portion of portfolio in cash</b>	<b>8,529,940</b>	<b>0.82%</b>	
<b>Total Portfolio</b>	<b>1,038,281,064</b>	<b>100.00%</b>	



## APPENDIX 4 – THE CFI’S KEY RISKS AND MITIGATING MEASURES

In 2012, the CFI engaged KPMG LLP, CFI's internal auditors, to update the key risks facing the CFI and the CFI's multi-year risk-based internal audit plan. This update of the CFI's corporate risk profile was timely, given the evolving landscape and the fact that the CFI had recently completed its Strategic Roadmap. As a result of this exercise, the CFI has identified seven significant risks and related mitigation measures. These are summarized in the table below. These risks still represent the major risks facing the organization at the present time. Full information on secondary risks and related mitigating measures is available upon request.

<b>Strategic Risks</b>	
<b>Risks</b>	<b>Mitigation measures</b>
<p>A. Risk that the expectations of external stakeholders (i.e. institutions and partners) are not well understood and/or managed (e.g. ability to provide sustained funding over the long term)</p>	<ul style="list-style-type: none"> <li>▪ Obtain a solid understanding of stakeholder needs, challenges and expectations (e.g. consultations, special studies, etc.)</li> <li>▪ Strategic Roadmap consultations have informed the community of future CFI strategic directions</li> <li>▪ Timely assessment of requests by senior management and consistent messaging of CFI's position</li> <li>▪ Discussions with the Government of Canada and other funding agencies on CFI's role, programs and level of funding provided</li> </ul>
<p>B. Risk that CFI is unable to measure, track, analyze and/or report on the impacts, including economic impacts, of CFI funding</p>	<ul style="list-style-type: none"> <li>▪ New focus on socioeconomic impacts and supporting analysis</li> <li>▪ Enhancement of internal analytical skills</li> <li>▪ Leveraging of external expertise when needed</li> <li>▪ Reaching out to various groups (e.g. businesses)</li> <li>▪ Communication strategy focused on highlighting the key results of programs and social and economic outcomes of the research enabled by CFI investments</li> </ul>
<p>C. Risk of failure and/or the perception of failure to collaborate and coordinate effectively with the government, research granting agencies, industry, and other partners</p>	<ul style="list-style-type: none"> <li>▪ Ongoing participation in inter-agency councils/committees</li> <li>▪ Active communication between senior management of CFI and the tri-agencies</li> <li>▪ Development of coordinated funding activities in strategic areas with the federal research granting agencies</li> <li>▪ Collaborating with provinces in order to reduce the duplication of efforts and the overall burden on institutions related to oversight activities from various funding sources</li> <li>▪ Reaching out to various groups (e.g. businesses)</li> <li>▪ Ongoing discussions with the Government of Canada</li> </ul>

<b>Human Resources Risks</b>	
Risks	Mitigation measures
<p>D. Risk that required human resource capacity and critical skill sets have not been identified and/or developed/acquired to meet CFI's needs and the achievement of its strategic directions</p>	<ul style="list-style-type: none"> <li>• Effectively assessed and developed critical skills related to the delivery of new Programs (e.g. MSI, CIIF)</li> <li>• Identified resource and professional development needs to meet emerging needs (e.g. IT, data analysis) and implemented solution</li> <li>• Leverage of external expertise when needed</li> <li>• Annual performance evaluations allow for the identification of training and professional development needs for each employee</li> </ul>

<b>Institutional / Operational Risks</b>	
Risks	Mitigation measures
<p>E. Risk that institutions do not have sufficient capacity to support and monitor major initiatives (MSIs and other large initiatives)</p>	<ul style="list-style-type: none"> <li>▪ Increased emphasis on the review of sustainability and management plans in the application review process for the last LEF/NIF competition</li> <li>▪ For MSI projects, an in-depth review of resource capacity and management plans was done by experts during the application review process. Corrective measures are being implemented as needed</li> <li>▪ MSI workshops to share and exchange on best practices, challenges and emerging issues</li> <li>▪ Close monitoring of MSI projects by CFI helps ensure institutional management of these project is in line with best practices</li> <li>▪ The CFI monitoring visit approach has been revisited and now includes discussion of the institutions' capacity and oversight framework for major initiatives (other than MSI)</li> <li>▪ The CFI has adopted a risk-based approach to the management of all CFI-funded projects. The nature and extent of oversight activities are tailored to the risks of each project. Major initiatives that involve a greater level of risk will be monitored closely, in collaboration with institutions. CFI is putting more stringent requirements in place/encouraging the</li> </ul>

<b>Institutional / Operational Risks</b>	
Risks	Mitigation measures
	adoption of best practices (e.g. governance review)
F. Risk that partner and matching funding is not secured or is withdrawn due to changes in partners' priorities, general economic conditions, and/or limited uptake	<ul style="list-style-type: none"> <li>▪ Ongoing monitoring of provincial research and innovation activities</li> <li>▪ Priorities of provincial partners are taken into consideration in the application review process</li> <li>▪ Demonstrate the value of 40 percent funding provided by CFI</li> <li>▪ The CFI does not hold major competitions frequently to ensure provinces are able to come forward and plan for expenditures</li> <li>▪ CFI funding is provided only when partner funding has been secured</li> </ul>
G. Risk that infrastructure funded through CFI's major science initiative (MSIs and other large initiatives) projects cannot be sustained over the medium to long term	<ul style="list-style-type: none"> <li>▪ Funding provided under the Major Science Initiatives Fund, including the special competition to be held in 2014 that will broaden the spectrum of eligible facilities, will help sustain these projects</li> <li>▪ Infrastructure Operating Fund provides a contribution towards operations and maintenance support</li> <li>▪ Leading Edge Fund seeks to ensure that most productive initiatives remain at state-of-the-art level</li> <li>▪ Sustainability assessed as part of the application review process</li> <li>▪ In various documents, recipients have confirmed and agreed to properly operate and maintain the infrastructure</li> <li>▪ Institutions are required to have O &amp; M plans to ensure sufficient funds will be provided for the operation and maintenance of CFI-funded infrastructure. These are reviewed by the CFI during monitoring visits</li> <li>▪ Increased oversight of MSI projects and their governance</li> <li>▪ MSI workshops to share and exchange on best practices, challenges and emerging issues</li> </ul>



**Research builds communities**  
**La recherche au service des collectivités**

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