

Management Response to the Evaluation of the Idea to Innovation Grants (I2I)

Idea to Innovation Grants (I2I) accelerate the pre-competitive development of promising technologies originating from the university and college sector and promote their transfer to new or established Canadian companies. The funding opportunity offers several funding options, which are characterized by the maturity of the technology or the involvement of an early-stage investment entity or an industrial partner, providing crucial assistance in the early stages of technology development, validation and market connection. I2I grants expect a close collaboration between the Principal Investigator and its academic institution Industry Liaison Office (ILO) to develop a viable the technology transfer plan for the proposed technology. The evaluation was undertaken to assess the relevance and effectiveness of the program in meeting its objectives, and the efficiency of the management of the program. The evaluation will also help ensure that NSERC is meeting the requirements of section 42.1 (1) of the Financial Administration Act and the Treasury Board Secretariat's Policy on Results 2016.

Overall Comments

Management agrees with the findings of the evaluation which confirm that the I2I Program occupies a unique niche in helping commercialize promising inventions originating from the academic sector. The program was created in 2003, and has evolved over time to better respond to the community needs (e.g., by adding the Phase Ib extension in 2008 and the Market Assessment funding option in 2010). The evaluation findings confirm that I2I fills a gap in the early commercialization chain. In 2017, the Federal Government launched the Innovation and Skills Plan¹ which presented measures designed to help Canada realize its potential as a global leader in innovation. In its niche, the I2I Program is directly aligned with this strategy by allowing researchers to mature their inventions within the academic sector, to the point that they attract investors and partners, and consequently transfer these inventions so they can be commercialized by Canadian companies and provide benefits to all Canadians.

Recommendations

Recommendation 1:

The federal government should continue to support the commercialization of Canadian innovations through the three types of funding currently offered by I2I.

While each type of funding serves its own purpose, and while Phase I funding remains the most relevant form of funding, there is a strong rationale for also supporting market assessments and Phase II funding when applicable.

¹ <https://www.budget.gc.ca/2017/docs/plan/budget-2017-en.pdf>

Management Response: Agree

This program provides important support to academic driven projects at early stages of the commercialization process:

- The evaluation findings confirmed that market assessment studies are an essential step in a commercialization strategy. It focuses the work of a researcher and provides validation from a third party. This can also mean saving of time and resources when an assessment shows that a project should not go forward.
- The Phase I funding is seen as a key tool for researchers to build the value of their technology and strengthen their ability to attract potential financial investors and industrial partners.
- Finally, industry partners confirmed that I2I funding strengthens the business case for a technology and that Phase II funding creates opportunities for Canadian companies to share the risk associated with implementing products and services based on disruptive technologies.

Recommendation 2:

2. Idea to Innovation program management should employ a more systematic effort to document the long-term outcomes of the I2I projects it supports. Program management already collects, using a semi-structured process, valuable information on project outcomes, particularly as these outcomes unfold during the post-funding period. Having a more systematic approach for these monitoring activities would provide additional evidence on the rationale for the types of funding provided and on the impacts of the program.

Management Response: Agree

Management recognizes the importance of collecting accurate and relevant information to highlight the program's impacts and benefits for Canada. The process to bring a technology from the lab to the market can take a significant amount of time; we see this ranging between 3 and 7 years depending on the technology. This requires a flexible approach to follow and track the transferred technology well beyond the reporting period of I2I funded projects. As part of the regular grant reporting requirements, I2I program staff collects information on completed projects through the usual final report from the applicants and company comments when applicable.

For post grant follow-up, NSERC has also developed a survey which collects quantitative information from the Industry Liaison Offices 18 months after a project has ended. Staffs subsequently follow up on projects on an annual basis until the commercialization outcomes are clear.

The evaluation indicates that the reporting process currently in place is seen as contributing to the effective delivery of the program. In order to be more effective in capturing and communicating the resulting impacts of the I2I Grants, NSERC will:

- Better document the process we use for following up after the grants.
- Develop a more structured and accessible data set of data about project outcomes.

Recommendation	Agree Partially Agree Disagree	Proposed Action	Responsibility	Timeline
<p>Recommendation #1. The federal government should continue to support the commercialization of Canadian innovations through the three types of funding currently offered by I2I. While each type of funding serves its own purpose, and while Phase I funding remains the most relevant form of funding, there is a strong rationale for also supporting market assessments and Phase II funding when applicable.</p>	Agree	Continue to deliver I2I.	Director, Colleges, Commercialization and Portfolio Planning Division, RP Directorate	On going
<p>Recommendation #2. The I2I program management should pursue its effort to document the long-term outcomes of the projects it supports. The I2I program management group already collects, using a semi-structured process, valuable information on project outcomes, particularly as these outcomes unfold during the post-funding period. Having a more systematic approach for these monitoring activities would provide additional evidence on the rationale for the types of funding provided and on the impacts of the program.</p>	Agree	I2I program staff will continue to collect long-term outcomes of funded projects. In Spring 2017 the procedures for I2I projects follow-up were streamlined. The team is working to implement those procedures and will develop documents that will better demonstrate the impacts of the program.	Director, Colleges, Commercialization and Portfolio Planning Division, RP Directorate	March 2019