Rationale for award projections for 2012-2013

In 2011-2012, we slightly continued to feel the impacts of budget constraints at the federal and provincial levels as governments cope with budgetary pressures in a difficult economic climate. However, we started to see early signs of recovery in our private sector funding, increased activity with private sector partners, as well as indications that the federal government is likely to continue viewing R&D investment as essential to maintaining Canada’s longer term economic and competitive position.

Our rationale for next year is:

**Tri-Council funding (NSERC, SSHRC and CIHR):** The funding environment continues to be extremely competitive and new, incremental federal funding will likely be targeted towards specific collaborative initiatives. We believe that our researchers are competing well in the full range of Tri-Council programs, with improving success rates at CIHR, increased participation rates and the award of a new Strategic Network at NSERC, and securing of major projects at SSHRC. With possibilities of new private sector partnerships increasing, we believe we will be well positioned to compete in both existing and new targeted initiatives. Overall, we are projecting a decrease around 4% at the Tri-Councils awards which includes a scheduled reduction in Tri-Council support of the Canadian Stroke Network, a federal Network of Centers of Excellence housed here.

**Canada Foundation for Innovation (CFI):** In 2011-2012, we benefitted from the CFI-LOF program, collecting 20 grants totalling $4.9 million. In addition, two large infrastructure projects (Accelerator Mass Spectrometry facility spearheaded by Dr. Ian Clark and the Sub-wavelength project led by Dr. Paul Corkum) have been finalized with CFI and MEDI which helped us secure $7 million (out of $26 million) in 2011-2012. In 2012-2013, we are anticipating to receive lower amounts for the later projects since we are facing delays in the construction of CAPEA building who will host the related equipment. In April 2012, we submitted 5 major applications totalling $55 million under the LEF/NIF competition for which we expect CFI board decision in November 2012. However, revenues for these awards will only be received in 2013-2014.

**Canada Research Chairs:** Our allocation of Canada Research Chairs has been stable at 73 for 2011-2012. With fewer CRCs to fill and assuming normal turnover, we believe we should maintain the status quo.

**Government of Canada:** After a period of declining research funding from federal government sources for reasons of fiscal restraint, we are now projecting a slight upwards trend in our federal research funding for 2011-2012. We expect to maintain the status-quo for 2012-2013.

**Province of Ontario:** Total funding from the Province of Ontario is intrinsically linked to CFI funding because the Province matches CFI funding in most cases. However, funding lags behind especially now that the government of Ontario is reviewing all propositions to ensure they are aligned with provincial priority. In general, we expect
the situation to be lower for the coming year, as it is the case for CFI. For the other source of funding we expect the status quo.

**Private Sector:** We are seeing signs of better than expected resiliency in our private sector funding as well increased activity with private sector partners as our researchers respond enthusiastically to new Tri-Council funding programs which offer “seed” funding for new collaborations and which, hopefully, set the stage for an intensification of collaborative research activities. We expect around 10% growth in an economic environment which is still challenging.

**Networks and Fourth Pillar Organizations:** “Fourth pillar” organizations are associations amongst industry, university and government organizations which promote and facilitate inter-sectoral research. These organizations are also very sensitive to the economic climate and to government funding priorities. We expect this situation to be better over the coming year.

**Medical Research Foundations and Associations:** Many disease-oriented foundations and associations have experienced budgetary restrictions because the economic downturn had negatively affected their fund-raising programs. We believe that some of these foundations are turning the corner but most likely the availability of funds will decrease overall.

**Indirect Costs:** Indirect Costs are generated through a variety of sources including overhead recoveries on contract research and through federal and provincial indirect cost programs. At the federal level, our most important source of indirect cost revenues, the national envelope for the Federal Indirect Costs Program has been reduced somewhat but the University of Ottawa has slightly increased its share of the available national funding so we expect our funding to be approximately the same as last year. At the provincial level, one major program has been wound down and we project a smaller envelope leading to a reduction in UofO funding.