Ontario

Results-based Plan Briefing Book 2010-11

Ministry of Research and Innovation

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Ontario

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MINISTRY OVERVIEW

Innovation is key to creating a strong economy and rewarding jobs that families can depend on today and in the future. Fostering an innovation-driven, globally competitive economy is a priority for the province and a vital component of the Open Ontario Plan.

Launched in 2005, the Ministry of Research and Innovation (MRI) is focused on strengthening Ontario as a leading, innovation-based economy and society where innovative thinkers can flourish and innovative ideas are rewarded. The Ministry invests in and supports research, innovation and commercialization projects and partnerships across the province, collaborating with colleges, research hospitals, universities, private sector entities and other governments.

Ministry Mandate

The Ministry mandate is to foster a culture of innovation and showcase Ontario, nationally and internationally, as a place where innovation is happening.

Strategic Direction: Ontario's Innovation Agenda

> "It's encouraging to see the long-term commitment to excellence in both basic and applied research. This gives us the foundation for the great discoveries of the future."
>
> *Dr. John Evans, Chair Emeritus, MaRS Discovery District*

In April 2008, MRI launched the $3.2 billion **Ontario Innovation Agenda**, a strategy to make innovation a driving force of the Ontario economy. The agenda lays the foundation to implement and deliver flagship government initiatives that support a strong, innovative economy and good jobs for Ontario families.

Key elements of the agenda are:

- Government acting as a catalyst for innovation and commercialization – and committing the necessary resources to do this effectively;

- Investing significantly in peer-reviewed research excellence that will create jobs, a cleaner environment and better healthcare for Ontario families;

- Focusing government investments on research and industries where Ontario has a global competitive advantage;

- Streamlining and modernizing government programs and processes to move faster – at the speed of business; and

- Investing in, generating and attracting a workforce with first-rate skills in science, engineering, creative arts, business and entrepreneurship.

Driving Forward Tomorrow's Innovation Economy: Ministry Priorities

Ontario's Innovation Agenda will guide the ministry's investments and work in the following areas for 2010-11:

- Intensifying business-led innovation and commercialization
- Building human capital for the innovation economy
- Renewing government leadership on global opportunities

Ministry Key Initiatives

Announced in 2009, the **Ontario Network of Excellence (ONE)** will play a critical role in helping Ontario implement its $3.2 billion innovation agenda and ensure that made-in-Ontario innovations have every opportunity to generate new products and services, new businesses, new companies and new jobs in this province.

> The Ontario Network of Excellence (ONE) is Ontario's revitalized, client-focused, province-wide innovation network.
>
> ONE also supports start-ups, emerging growth companies, small and medium-sized enterprises, and large domestic and multi-national enterprises — that wish to pursue innovation to create a global competitive advantage and new wealth in Ontario.

In 2010, the ministry will work with MaRS Discovery District and the Ontario Centres of Excellence to further develop the ONE network. The ministry will also select the innovation centres across Ontario that will function as the primary service delivery agents for ONE clients. The ONE Advisory Board – which will ensure the overall effectiveness and efficiency of the network - will be selected this year.

The programs and services of the ONE will include:

- Business acceleration programs and services: A continuum of programs and services to help strengthen entrepreneurial talent, create globally competitive businesses and support innovators as they deal with all the challenges and opportunities that come with building an innovative enterprise;

- Industry-academic collaboration programs and services: programs and services to accelerate the movement of world-class research discoveries from Ontario's labs to the global marketplace, to support industry-academic collaboration on technical research challenges with existing research institutions (e.g. colleges, universities, hospitals), and to develop talent by cultivating entrepreneurial skills and business skills, and providing real world experience for Ontario's next generation of innovators; and

- Sector-based expertise: This could include specialized services, such as sector knowledge, academic resources (e.g. researchers, equipment, etc.), regulatory environment knowledge and guidance and market development to help clients bring products or services to market faster and more effectively.

2010 Budget - Continuing Commitment to Innovation

The 2010 Budget demonstrates Ontario's continued commitment to innovation as a platform that supports the government's Open Ontario plan to transform Ontario to an innovation-driven economy,

The ministry will continue to roll out the multi-year Ontario Innovation Agenda – and all programs will continue at the planned level.

In fact, MRI is planning to increase spending by $67 million in fiscal year 2010-11, a 19 per cent increase over the previous year, and will continue to make investments toward key priorities, such as the Ontario Research Fund, the Global Leadership Round in Genomics and Life Sciences, the Early Researcher Awards, the Ontario Venture Capital Fund and the Ontario Emerging Technologies Fund.

> Through initiatives like the Ontario Emerging Technologies Fund, this government answers an urgent need for access to capital to support innovation and entrepreneurship. The co-investment model works with the market to help Ontario's entrepreneurs start more companies and create more jobs in the province."
>
> *Iain Klugman*
> *President and CEO, Communitech, Waterloo*

Ministry Contributions to Key Priorities & Results

Priorities

Strong Economy
Strong People
Growing Jobs

- Intensifying business-led innovation and commercialization
- Building human capital for the innovation economy
- Renewing government leadership on global opportunities

Key Results

- Leveraged dollars in partnerships with private sector, federal government and research & innovation and commercialization institutions.

Strategies

Ontario Innovation Agenda:

- Government as a Catalyst
- Investing in Research Excellence
- Focusing on Global Advantages
- Streaming government programs
- Invest in, generate and attract a skilled work-force

Major Activities

Innovation and Commercialization

- Innovation Demonstration Fund
- Ontario Network of Excellence
- Centre for Research and Innovation in the Bio-economy
- Ontario Emerging Technologies Fund
- Ontario Venture Capital Fund
- Social Innovation Generation
- Business Ecosystem Support Fund
- International events such as BIO
- GreenFIT
- Green Schools Pilot Initiative
- Life Sciences & Commercialization Strategy

Science and Research

- Ontario Research Fund
  - Research Excellence
  - Research Infrastructure
- Ontario Institute for Cancer Research
- Research Talent Programs
  - Early Researcher Awards
  - Post-Doctoral Fellowship Program
  - Premier's Catalyst Award
  - Premier's Discovery Award
- Science & Technology Connections and Partnerships
- International Collaborations

Ongoing Ministry Activities

The **Ontario Research Fund - Research Excellence program** (ORF-RE) provides researchers with the support to undertake cutting-edge research. It promotes research excellence in Ontario and contributes to enhancing Ontario's business climate, skills and knowledge for innovation – while fostering and celebrating innovation through its outreach activities.

Since 2006-07, MRI invested $368.6 million in ORF-RE to support 91 leading-edge research projects across the province, leveraging $730.8 million from over 450 industry, institutional and federal partners.

Through ORF-RE, a special **Global Leadership Round in Genomics and Life Sciences (GL^2)** competition was held in 2009-10 to support basic and applied genomics and gene-related research at Ontario's universities, hospitals and other research institutions.

> An ORF-RE investment of $6.5 million is supporting the Ontario Network for Advanced Medical Imaging Detectors at the Thunder Bay Regional Research Institute. The network will bring together researchers and industry to develop and commercialize a revolutionary, new generation of imaging devices for a variety of biomedical applications. These devices will lead to the detection and diagnosis of medical problems accurately and at the earliest stage of a disease, which is critical for effective treatment and recovery.

GL^2 supports the creation of new knowledge to drive innovation by focusing investments in leading-edge, large-scale genomics and gene-related research initiatives.

In April 2010, MRI announced an investment of over $115 million in 19 leading-edge research projects. Researchers on these projects are working to discover new therapies and technologies that will help people live healthier lives, as well as protect the environment and biodiversity.

The **Ontario Research Fund – Research Infrastructure program** (ORF-RI) ensures researchers have the funds to invest in state-of-the art equipment and facilities. By providing researchers with access to necessary equipment, Ontario research institutions are able to attract the best talent and create essential capacity to conduct world-leading research.

Since 2004-05, MRI has committed approximately $571 million to cover the infrastructure costs of 1,165 leading-edge research projects across the province. ORF-RI is also leveraging nearly $1.4 billion from the federal government and institutional partners.

The **Ontario Institute for Cancer Research** (OICR) is an MRI-funded, independent, not-for-profit organization undertaking ground-breaking research into the causes and treatments of cancer. In total, MRI is investing $357 million over OICR's first five years to support the operating and capital costs of OICR.

In 2009-10, OICR's Intellectual Property Development and Commercialization Program funded *thirteen* projects (10 existing and 3 new investments) that transform laboratory research into clinical applications for a total investment of *$2.95 million in 09-10.* There were 2 new companies established during the year.

The **International Cancer Genome Consortium (ICGC) Partnership with Ontario** is creating an international collaboration between the Ontario Institute for Cancer Research (OICR) and the ongoing global network of scientists leading the fight against cancer by coordinating the work of scientists around the world. To make this collaboration a reality, MRI invested $40 million in OICR to collect research data and share it with scientists worldwide. Genetic information derived from cancer cells will help identify better ways to kill tumours and tailor treatment to specific cancer types. 18 funding agencies in 10 countries and the European Union have now officially launched ICGC projects and committed approximately $400 million in funding. This project will be a magnet for other investments and create jobs for more than 50 researchers in Ontario.

The **Innovation Demonstration Fund** (IDF) was announced in 2006 to help companies develop promising bio-based environmental and alternative-energy technologies. To date, MRI has funded 15 innovative Ontario companies which will lead the next generation of innovative projects such as water current-power energy generation and new solar panel technologies. The 2009 Ontario Budget included an enhancement of $50 million over four years to the Innovation Demonstration Fund.

Through the Innovation Demonstration Fund, the province is contributing $3.6 million to Group IV Semiconductor Inc. (Group IV), an Ottawa-based company, to help expand its fabrication facility at Carleton University and complete technology development.

The company's technology could lead to low-cost light bulbs that will use up to 90 per cent less electricity than regular bulbs and last much longer, significantly cutting greenhouse gas emissions and reducing the waste burden on landfills.

Currently the company employs 25 people and expects to increase this number to 44 over the next two years.

The **Ontario Emerging Technologies Fund (OETF)** is a direct investment fund established by the Province of Ontario in 2009. The Government has announced that the OETF will be a $250 million fund to co-invest alongside qualified investors into innovative, high-growth, private Ontario companies. The fund is managed by the Ontario Capital Growth Corporation (OCGC), an agency of the Ontario Ministry of Research and Innovation. To date, the Ontario Capital Growth Corporation, through the OETF, has approved investments of approximately $9 million in four Ontario-based technology companies: Avvasi Inc., Bearing Media Inc., ecobee Inc., and EnviroTower

Ontario Venture Capital Fund (OVCF) - In 2007-08, Ontario secured commitments from the Ontario Municipal Employee Retirement System (OMERS), the Royal Bank of Canada, the Business Development Bank of Canada and Manulife Financial to lever Ontario's $90 million initial investment into a $205 million Ontario Venture Capital Fund. Ontario's funds are held by the Ontario Capital Growth Corporation. The Fund is managed by Northleaf Capital (formerly TD Private Equity) on behalf of the limited partners, including Ontario. To date, the OVCF's Fund Manager, Northleaf Capital, is proceeding with investments totalling almost $60 million into three Ontario-based funds run by Georgian Partners, XPV Capital Corporation, and Lumira Capital. The OVCF has also and made two direct co-investments into Ontario companies: I Love Rewards and BlueCat Networks.

The **Ontario Tax Exemption for Commercialization** was announced in 2008 to support newly established corporations in priority areas by encouraging the commercialization of intellectual property developed at qualifying Canadian universities and colleges. The program offers a refund of corporate income tax and corporate minimum tax paid for a qualifying corporation's first ten taxation years.

Ontario Network of Excellence (ONE) - In June of 2009, the Minister of Research and Innovation outlined a new vision for accelerating the growth of innovative companies in Ontario. Under the re-vitalized network there are:

- MaRS Discovery District – a not-for-profit centre - leads the implementation of business acceleration programs connecting science, technology and social entrepreneurs with business skills, networks and capital to stimulate innovation and accelerate the creation and growth of successful Ontario enterprises. MaRS, in partnership with Ontario's regional innovation centres, delivered successful programs in 2009-10 by providing sophisticated mentoring, networking, market intelligence and other business advisory services to over 1,000 innovative companies, in addition to hosting events and forging collaborations, and helping market Ontario nationally and internationally; and
- The Ontario Centres of Excellence is sharpening their focus by helping innovative Ontario companies find the great research discoveries, talent and technology developed at Ontario's world class universities and colleges, and academic health science centres. OCE actively supported almost 400 companies in 2008/09.

The **Business Eco-System Support Fund** supports sophisticated industry – academic partnerships that will accelerate product development in emerging global markets. In 2009/10 and early 2010/11, the ministry launched 4 new innovation centres:

- $13.6 million to GreenCentre Canada to develop the next generation of green industrial products;

- $9.3 million to Coral CEA to help Ontario companies compete in the global Communications Enabled Applications market, which provides the next generation of efficiency tools for a host of industrial applications;

- $26.4 million to The Communitech Hub: a Digital Media and Mobile Accelerator to ensure Ontario maintains a leadership position in the rapidly growing market for digital media and mobile computing applications, across a range of industries; and

- $21 million in The Health Technology Exchange (HTX), which will help HTX partner with innovative companies, research institutions and health providers to develop cutting-edge medical and assistive technologies (MAT) that can be marketed to the world.

Research Talent Awards - The ministry continues to recognize achievement through its Research Talent Awards programs such as the Premier's Catalyst Awards ($2.8 million to 14 innovative companies since 2007) and the Premier's Discovery Awards ($4.75 million to 13 top researchers since 2007). The Premier's Summit Awards, funded by MRI and administered by MaRS, provides awards for medical research ($20 million to 8 winners since 2007).

> Research aimed at supporting sustainable environmental management of our freshwater ecosystems, harnessing new energy while reducing our carbon footprint, and protecting Ontarians relying on groundwater for their drinking water supply are among 14 bio-economy and clean technologies research projects that received support from the province's Early Researcher Awards program.

Early Researcher Awards - To date, MRI has provided $58.7 million to 419 newly appointed researchers to help them build their teams and support them early in their careers. Each researcher receives up to $140,000 from MRI, with a $50,000 match by the researcher's institution. Since 2003, Early Researcher Awards winners have used 1% of their awards to engage over 24,000 youth through 544 outreach events.

Post-Doctoral Fellowships - MRI has provided $9.8 million in Post-Doctoral Fellowships to support 196 fellows across Ontario. The program recruits and retains outstanding young scientists to spend two years as post-doctoral fellows in Ontario research institutions. For each fellow, institutions receive $25,000 per year for two years from MRI, matched by the institution.

Youth Outreach Programs The ministry is supporting the next generation of researchers and innovators through its youth programs.

- Since 2005-06, the ministry invested $5 million in 42 Youth Science and Technology Outreach Program projects to help youth discover science.
- Both the Youth Science and Technology Outreach Program (YSTOP) and the Teacher's Science and Technology Outreach Program (TSTOP) are designed to inspire youth to pursue careers in science and technology by giving them hands-on experience and access to leading Ontario researchers.

International Strategic Opportunities Program - The ministry will continue promoting Ontario's Innovation – nationally and internationally – through the International Strategic Opportunities Program (ISOP). ISOP provides funding for strategic international collaborations between Ontario research institutions and the global research community. The goal of the program is to improve Ontario's long-term economic potential by attracting and retaining the best and brightest research talent. Since 2005-06, ISOP has provided $2.8M in funding to support 20 international research collaborations.

Stem Cell Partnership with California - The Cancer Stem Cell Consortium, announced in May 2008 by Premier Dalton McGuinty, with a contribution of $30 million from the Ontario Institute for Cancer Research, is coordinating and funding cancer stem cell research carried out by Canadian and Californian researchers, universities and private industry. In 2009-10, this investment leveraged $80 million in additional funding from Genome Canada, the Canadian Institutes of Health Research, and the California Institute for Regenerative Medicine for OICR projects involving Canadian and Californian scientists working together on common cancer stem cell projects.

LOOKING AHEAD

As the ministry moves through 2010-11, MRI will focus on implementing the Ontario Innovation Agenda and establish the Ontario Network of Excellence (ONE), continuing the success of ongoing programs and initiatives and delivering on program and legislative commitments.

LEGISLATION

The *Ontario Capital Growth Corporation Act, 2008* establishes the Ontario Capital Growth Corporation as a statutory corporation without share capital. The Act provides that the Corporation is an agent of the Crown in Right of Ontario. The Corporation fulfills Ontario's legal obligations as a limited partner in the Ontario Venture Capital Fund.

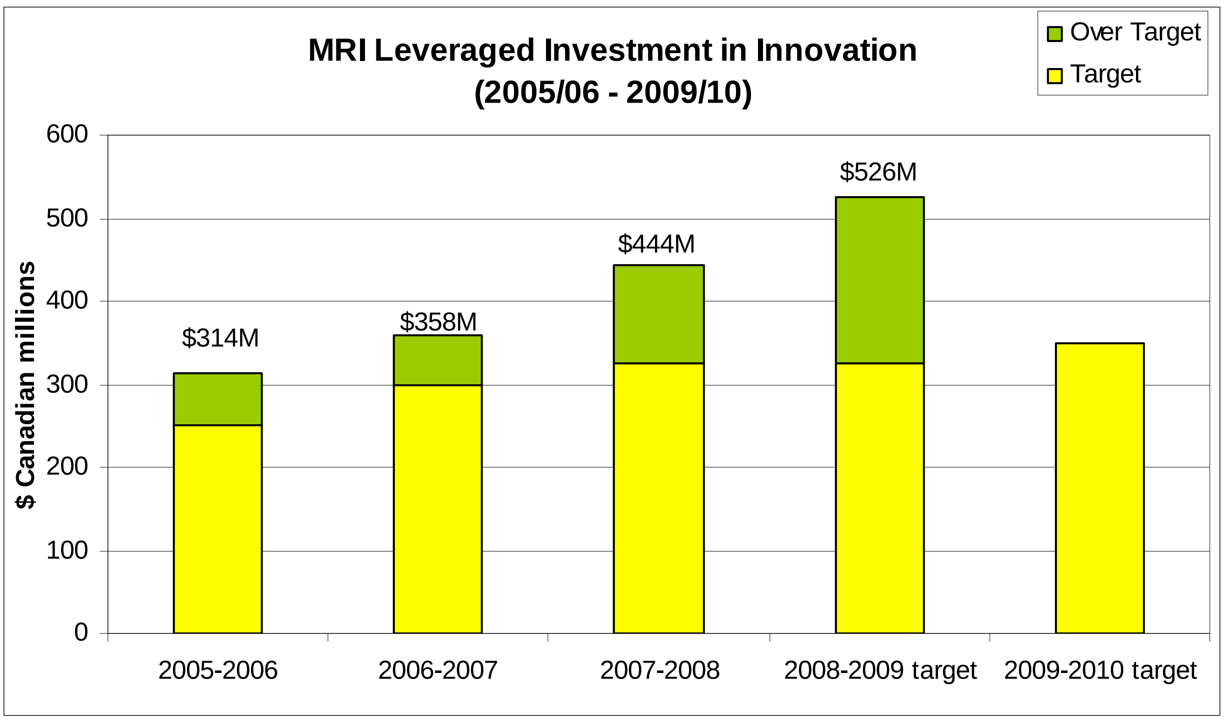
Ontario Regulation 278/09 made under the Ontario *Capital Growth Corporation Act, 2008* provides that the Corporation acquire, manage and otherwise deal with a portfolio of investments in businesses that the Corporation considers constitute emerging technology businesses. This portfolio is known in English as the Ontario Emerging Technologies Fund.

The Ontario Tax Exemption for Commercialization, administered jointly by MRI and the Ministry of Revenue, is a legislated program under the *Corporations Tax Act* and the *Taxation Act, 2007*. The Acts are the responsibility of the Ministry of Finance.

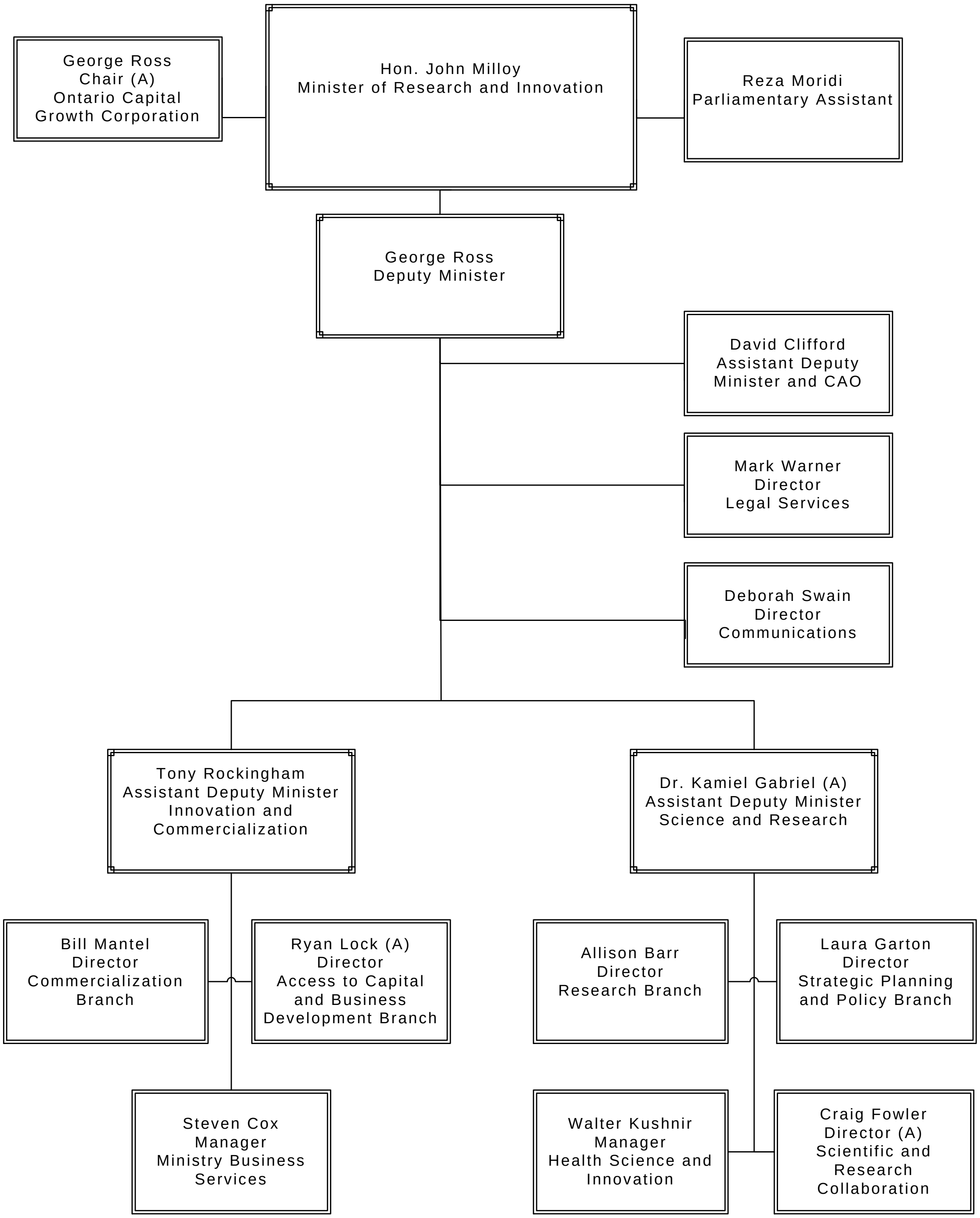
PERFORMANCE MEASURE

The Leveraged Investment in Innovation performance measure provides information on the expected partner and matching investments in research and commercialization initiatives that the ministry provides funding for. It is a significant indicator as it illustrates the role that the ministry plays as a facilitator and generator of investments and participation by the private sector, the federal government and other parties in Ontario's research and commercialization initiatives.

Leveraged investment targets have been consistently exceeded each year. In 2008-09 leveraged investment was $526 million, $82 million more than in 2007-08, and $201 million above target.



MINISTRY ORGANIZATION CHART



AGENCIES, BOARDS AND COMMISSIONS

Operating Agency

Ontario Capital Growth Corporation

The Ontario Capital Growth Corporation (OCGC or the Corporation) was established by the *Ontario Capital Growth Corporation Act, 2008.* The Act was proclaimed and in force as of February 1, 2009. The interim Board of Directors is comprised of public servants, who were appointed by the Lieutenant Governor in Council on February 4, 2009.

The OCGC is an agent of the Crown and is classified as an operational enterprise agency. Under the Act, the Corporation's principal activities are to:

- Receive, hold, administer and otherwise deal with the interest of the Government of Ontario in the limited partnership known as the Ontario Venture Capital Fund LP;
- Acquire, manage and otherwise deal with a portfolio of investments in businesses that the Corporation considers constitute emerging technology businesses, which portfolio is known in English as the Ontario Emerging Technologies Fund; and
- Perform any additional objects specified by the Lieutenant Governor in Council.

Additional objects of the Corporation were added later in 2009 through Ontario Regulation 278/09 made under the Ontario Capital Growth Corporation Act, 2008.

The Corporation's fiscal year commences on April 1 in each year and ends on March 31 in the following year. The Board will submit an annual report on its affairs (including audited financial statements) to the Minister of Research and Innovation within 90 days after the end of each fiscal year.

Advisory Agencies

Ontario Research Fund Advisory Board

The Ontario Research Fund Advisory Board is an advisory board that adjudicates applications to Ontario's research programs, which fund research talent, infrastructure and operations. The Board makes recommendations to the Minister based on a project's merit and alignment with the respective program's goals and provides advice and assistance to the Minister as required. The Board adjudicates applications for the Ontario Research Fund, the Early Researcher Awards (ERA) Program, the

Premier's Discovery Awards (PDA) Program and the Premier's Catalyst Awards (PCA) Program. The ORF provides infrastructure, operating and overhead funds to support leading edge R&D in Ontario's research institutions. The ERA supports early career researchers with recognized potential. The PDA celebrates the research excellence of

Ontario's top researchers and the PCA recognizes Ontario's top innovative entrepreneurs and companies.

Ontario Network of Excellence Advisory Board

In 2009-10, the ministry created the Ontario Network of Excellence Advisory Board as part of the revitalized Ontario Network of Excellence. The Board will provide advice to ensure that Ontario's sophisticated network of delivery partners and company acceleration programs is one of the best in the world operates with maximum efficiency and is focused on getting results – ensuring Ontario companies can get their innovative products to markets around the world.

PUBLISHED RESULTS-BASED PLAN 2010-11

MINISTRY FINANCIAL INFORMATION

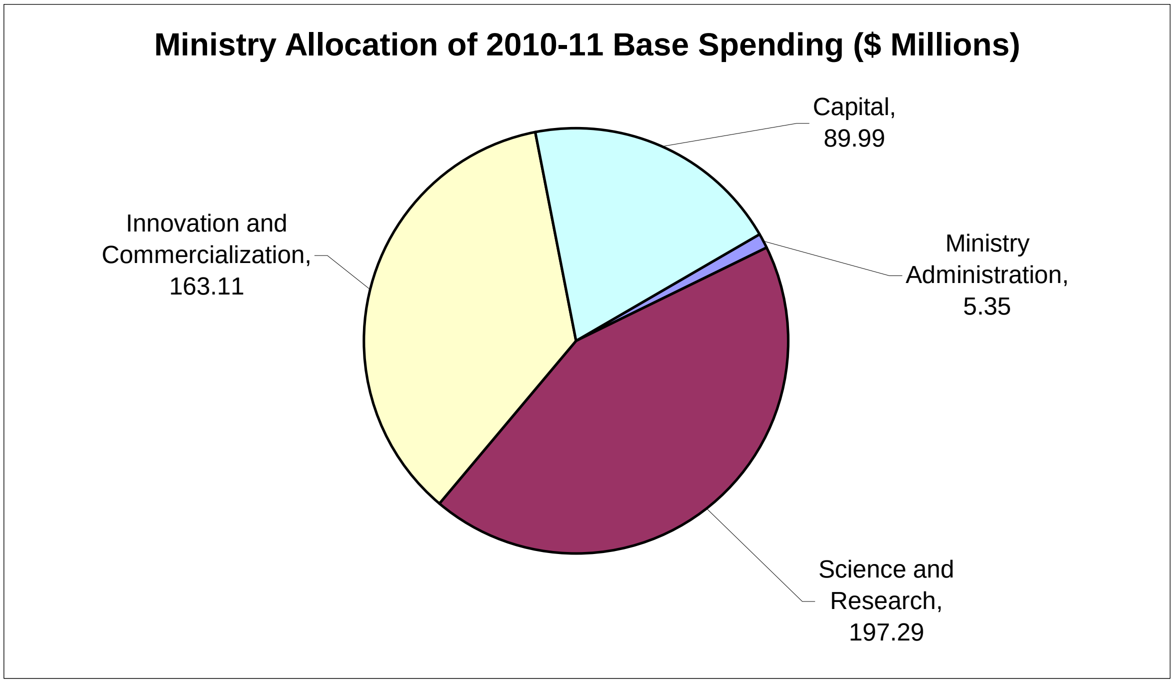


Table 1: Ministry Planned Expenditures 2010-11

Program Name	Ministry Planned Expenditures ($M)
Operating Expense *	
Ministry Administration	**5.3586**
Science and Research	**197.2942**
Innovation and Commercialization	**163.1176**
Total Operating Expense *	**365.7714**
Capital Expense *	**89.9980**
Total Operating and Capital Expense, Excluding Assets *	**455.7694**
Operating Assets	**7.8490**
Capital Assets	**0.0010**

*Excludes Consolidation Adjustments

Table 2: Operating and Capital Summary by Vote

The ministry focuses its efforts on activities which support a stronger Ontario in the creation of jobs in today's and future economies by: implementing research and innovation policies and programs based on expert advice to ensure an agenda to deliver excellence, performance and results; working closely with our partner ministries to implement programs to achieve future social, environmental and economic benefits; and fostering a culture of innovation and showcasing Ontario, nationally and internationally, as an innovation-based economy and society.

The ministry's key priorities are: extracting value from Ontario's excellence in research and commercialization; focusing investment in areas where Ontario can be globally competitive; leveraging skills, knowledge, and funding; developing an innovation-friendly business climate; and enhancing the Ontario government's role as a catalyst for change.

Votes/Programs	Estimates 2010-11 $	Change from 2009-10 Estimates $	%	2009-10 * Estimates $	2009-10 * Interim Actuals $	Actuals 2008-09 $
OPERATING AND CAPITAL EXPENSE						
Research and Innovation Program	455,703,400	50,595,200	(10%)	506,298,600	380,917,600	421,173,548
Total Including Special Warrants	455,703,400	50,595,200	(10%)	506,298,600	380,917,600	421,173,548
Less: Special Warrants	-	-		-	-	-
Total To Be Voted	455,703,400	50,595,200	(10%)	506,298,600	380,917,600	421,173,548
Special Warrants	-	-			-	-
Statutory Appropriations	66,014	50,000	(43%)	116,014	64,014	65,968
Net Consolidation Adjustment - Colleges	(3,640,000)	1,510,000	-	(2,130,000.00)	(2,131,700)	-
Net Consolidation Adjustment - Hospitals	(18,400,000)	6,596,300	(26%)	(24,996,300)	(27,985,900)	(36,474,653)
Other Adjustment - Ontario Capital Growth Corporation	(22,200,000)	45,620,000	131%	23,420,000	(7,000,000)	(89,302,553.00)
Ministry Total Operating and Capital	411,529,414	91,178,900	(18%)	502,708,314	343,864,014	295,462,310
OPERATING AND CAPITAL ASSETS						
Research and Innovation Program	7,850,000	7,322,000	(48%)	15,172,000	-	-
Total Assets To Be Voted	7,850,000	7,322,000	(48%)	15,172,000	-	-

* Estimates for the previous year are restated to reflect any changes in ministry organization and/or program structure.
Interim actuals reflect the numbers presented in the Ontario Budget.

APPENDIX I: 2009-10 ANNUAL REPORT

The Ministry of Research and Innovation (MRI) places a clear focus on the government's commitment to innovation as a catalyst for economic growth across all sectors of the economy.

Highlights of Achievements

Highlights from the 2009-10 period include:

- Announced the **Ontario Network of Excellence (ONE)**, Ontario's revitalized, client-focused innovation network, which will align all of the programs and resources Ontario has to support innovators across the province who are working to turn great ideas into globally competitive products and services.

- The $115 miilion Global Leadership Round in Genomics and Life Sciences (GL^2), which will promote research discoveries in Ontario by supporting transformative, internationally significant research in genomics and gene-related areas of research.

- $250 million investment in the **Ontario Emerging Technologies Fund**, a direct investment fund that will create a dynamic, vibrant venture capital community to help Ontario companies grow and compete globally.

- $25 million investment to establish the **Centre for Research and Innovation in the Bio-economy in Thunder Bay**, which will attract world-class researchers and industry leaders to develop the next generation of renewable forestry bio-products.

- In partnership with the Ministry of Education, launched the **Green Schools Pilot Initiative**, a $20 million capital investment program that identifies, demonstrates and tests innovative green products and technologies in Ontario schools and offers an ideal platform for real-world demonstration of innovative green technologies.

- In partnership with the Ministry of Government Services, implemented the initial stages of the **Green Focus on Innovation and Technology**, the "GreenFIT" strategy, an initiative where the Ontario government will use its purchasing power to support Ontario's emerging innovative green technology companies.

- $26 million investment in the Communitech Hub: Digital Media and Mobile Accelerator, a new centre that helps emerging digital media companies grow and succeed in the global market. In particular, the hub looks beyond the entertainment sector to focus on companies creating hardware and software for industries, including advanced manufacturing, health care and finance.

- $10 million investment to support the Ontario Initiative in Personalized Stem Cell Medicine, which brings together world-renowned stem cell researchers and over 400 highly qualified research staff to develop cutting-edge discoveries and therapies in the field of personalized medicine.

- $9.3 million to support the $44 million consortium Coral CEA, which supports Ontario companies that want to compete for part of the growing demand for Communication Enabled Applications (CEAs), software applications that enable the creation of smart technologies with applications in many industry sectors, including clean technology, health care, safety and security.

- $13.6 million to support GreenCentre Canada, located at Queen's University in Kingston. The centre, operated by PARTEQ Innovations, will connect green chemistry discoveries in Ontario universities with companies to develop alternatives to toxic chemicals and get them to the marketplace faster.

Setting the Stage for Innovation in Ontario: The Ontario Innovation Agenda

Ontario is investing in an aggressive innovation agenda to ensure we are one of the winning economies in the 21st century. Supported by close to $3.2 billion in spending over eight years and a focus on seizing global market opportunities, this agenda builds on the strength of Ontario's creative environment, diverse culture, highly skilled workforce, world-class education system and internationally recognized research community.

The focus of the agenda is to ignite growth in the industries that will shape our future and create Ontario's next generation of jobs and prosperity. It builds on this province's greatest strength – the talent and ingenuity of our people. The agenda advocates:

- Government acting as a catalyst for innovation and commercialization – and committing the necessary resources to do this effectively;

- Investing significantly in peer-reviewed research excellence that will create jobs, a cleaner environment and better healthcare for Ontario families;

- Focusing government investments on research and industries where Ontario has a global competitive advantage;

- Streamlining and modernizing government programs and processes to move faster – at the speed of business; and

- Partnering with business to better communicate Ontario's research strengths and innovation success stories to the world.

Driving Forward Tomorrow’s Innovation Economy: Priority Areas

The innovation agenda will guide investments in areas where Ontario is or will be identified as a global leader. Initial areas of focus include the bio-economy and clean technologies, advanced health technologies, pharmaceutical research and manufacturing, and digital media and information and communications technologies.

2009-10 investments:

- Bio-economy and clean technologies: $107.2M
- Advanced health technologies and pharmaceutical research: $154.7M
- Digital media and information and communications technologies: $85.9M

Supporting the Next Generation of Jobs Fund

MRI is also supporting the government’s Next Generation of Jobs Fund – jointly administered with the Ministry of Economic Development and Trade (MEDT) – which represents the government’s strong commitment to focused investment in areas where Ontario can lead globally.

The Biopharmaceutical Investment Program, part of the Next Generation of Jobs Fund, has invested in five projects to date, totalling $26.5 million and creating 195 new permanent jobs in addition to 400 short-term construction positions at five world-leading companies Therapure, Merck, Pfizer, Purdue Pharma, and Sanofi-Pasteur.

Building a Robust Post-Secondary Research Environment

Under the fourth round of the Ontario Research Fund (ORF) – Research Excellence program, MRI invested nearly $69.5 million to support 21 leading-edge research projects across the province.

In 2009-10 MRI invested nearly $262 million through the Ontario Research Fund – Research Infrastructure program to support 214 research infrastructure projects across the province.

MRI also invested over $114 million to support 19 leading-edge research projects across the province through a special Genomics and Life Sciences competition (GL^2) that provides an opportunity for the province to fund truly transformative research and build on an area where Ontario researchers have demonstrated world-leading strength

The ministry continues to support ground-breaking research into the causes and treatments of cancer through the Ontario Institute for Cancer Research. In total, MRI is investing $357 million over OICR’s first five years.

Enhancing Ontario's Capacity to Bring Ideas to the Marketplace

In 2009-10, MRI continued to support the commercialization of research, and continued to deliver existing research and commercialization programs effectively, including:

- Driving innovation with the $80 million Innovation Demonstration Fund to help companies develop promising new environmental, alternative energy, bio-products, hydrogen and other globally significant technologies.
- Securing new investments in the Ontario Venture Capital Fund from OMERS, the Royal Bank of Canada, the Business Development Bank of Canada and Manulife Financial by levering Ontario's $90 million investment into the $205 million fund.
- Responding to the challenges faced in raising capital by innovative, private Ontario-based companies in the clean technology, life sciences and advanced health technologies, and digital media and information and communication technology sectors, the Ontario Emerging Technologies Fund to provide $250 million for direct investments alongside qualified venture capital investors.
- Under the ONE, initiating the realignment of programs and deliverers to increase the effectiveness of the commercialization and innovation programs.
- MRI invested $1.8 million in 2008-09 in the Health Technology Exchange to accelerate the innovation, commercialization and the growth of Ontario's medical and assistive technologies sector.

Growing the Next Generation of Researchers and Innovators

- MRI honoured Ontario's best and the brightest with the Premier's Catalyst Awards ($1.2 million to 6 innovative companies in 2009-10) and the Premier's Discovery Awards ($1.75 million to 5 top researchers in 2009-10). The Premier's Summit Awards, funded by MRI and administered by MaRS, provides awards for medical research ($5 million to 2 winners in 2009-10).
- Through the Early Researcher Awards program, MRI awarded $11.5 million in 2009-10 to 82 newly appointed researchers to help them build their teams and support them early in their careers.
- In 2009-10, MRI also provided $2.5 million in Post-Doctoral Fellowships to support 50 fellows across Ontario. The program recruits and retains outstanding young scientists to spend two years as post-doctoral fellows in Ontario research institutions.
- Through its youth programs, MRI has helped nearly 160,000 youth connect with research through 4,500 events to provide them with beyond-the-classroom, hands-on research experiences.

Promoting Ontario's Innovation – Nationally and Internationally

- In 2009-10, the Stem Cell Partnership with California, which was launched in May 2008 with a commitment of $30 million through the Ontario Institute for Cancer Research, leveraged $80 million in additional funding from other agencies for OICR projects involving Canadian and Californian scientists working together on common cancer stem cell projects.
- After signing a Memorandum of Understanding with China in 2008, MRI moved forward with the partnership.
- Continued to engage international scientific collaboration with Ontario researchers through funding strategic projects under the International Strategic Opportunities Program.

Ministry Key Performance Results 2008-09

MRI performance results for its three key measures for 2008-09:

- *$526 million* of leveraged investment in 2008-09, an increase of $*82 million* over the previous year and $*201 million* above the target.

Table 1: Ministry Expenditures 2009-10

	Ministry Interim Actual Expenditures ($M)
Operating	**$272.5M**
Capital	**$71.3M**
Staff Strength (as of March 31, 2010)	**145**

GLOSSARY

BAP	Business Acceleration Program
CEA	Communication Enabled Applications
ERA	Early Researcher Awards
HTX	Health Technology Exchange
GL^2	Global Leadership Round in Genomics and Life Sciences
IACP	Industry-Academic Collaboration Program
ICGC	International Cancer Genome Consortium
IDF	Innovation Demonstration Fund
ISOP	International Strategic Opportunities Program
MaRS	MaRS Discovery District
MAT	Medical & Assistive Technologies
MEDT	Ministry of Economic Development and Trade
MRI	Ministry of Research and Innovation
OCE	Ontario Centres of Excellence
OCGC	Ontario Capital Growth Corporation
OCN	Ontario Commercialization Network
ODOE	Other Direct Operating Expenditures
OICR	Ontario Institute for Cancer Research
OETF	Ontario Emerging Technologies Fund
OMERS	Ontario Municipal Employee Retirement System
ONE	Ontario Network of Excellence
ONEAB	Ontario Network of Excellence Advisory Board
ORF	Ontario Research Fund
ORF-RE	Ontario Research Fund – Research Excellence
ORF-RI	Ontario Research Fund – Research Infrastructure
OTEC	Ontario Tax Exemption for Commercialization
PCA	Premier's Catalyst Awards
OVCF	Ontario Venture Capital Fund
PDA	Premier's Discovery Awards
PDF	Post-Doctoral Fellowship
R&D	Research and Development
RIC	Regional Innovation Centre
SIC	Sector Innovation Centre
SME’s	Small and Medium-Sized Enterprises
TSTOP	Teacher's Science and Technology Outreach Program
YSTOP	Youth Science and Technology Outreach Program