



Agriculture and  
Agri-Food Canada

Agriculture et  
Agroalimentaire Canada



# **AGRICULTURAL INNOVATION PROGRAM**

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Program Guide

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Agricultural Innovation Program  
Program Guide -

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## Purpose

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This guide provides information about the Agricultural Innovation Program and its two streams of support, the Knowledge Creation and Transfer stream and the Commercialization stream, and instructions for completing the application.

## The Agricultural Innovation Program

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### Description

The Agricultural Innovation Program (AIP), a \$50 million program ending March 31, 2013, is designed to accelerate the pace of innovation and facilitate the commercialization and adoption of innovative products, technologies, processes and services. It will improve the productivity and competitiveness of the Canadian agriculture, agri-food and agri-based products sector and help capture opportunities in domestic and global markets.

The program will support projects that:

- accelerate the creation, availability, application and transfer of knowledge and technologies to the sector; or
- increase the successful commercialization or adoption of agriculture, agri-food and agri-based innovations.

AIP will address these priorities by providing support under two streams:

#### Stream A - Knowledge Creation and Transfer

This stream aims to accelerate the research and development, availability, application and transfer of knowledge and technologies in the sector. Funding will be provided for the development of innovation strategy and the implementation of applied science and technology development projects.

#### Stream B - Commercialization

This stream aims to support the competitiveness and sustainability of the sector by increasing the number of instances of successful commercialization or adoption of agri-based innovations in Canada. Funding will be provided for activities such as constructing and renovating facilities, purchasing and installing equipment, and marketing opportunities.

### Maximum Funding and/or Support

The maximum funding and/or support under both streams to any eligible recipient will not exceed \$10 million over the life of AIP. Consult each program stream for further details.

## Retroactive Costs

At the discretion of the Minister, project costs incurred prior to the date of the signature of an agreement but after the commencement of the program may be considered eligible for reimbursement.

**NOTE: Even if an applicant is advised that their project is approved and the applicant starts incurring costs, no costs are eligible for reimbursement unless an agreement is ultimately signed between the applicant and Agriculture and Agri-Food Canada (AAFC). Any costs incurred prior to the signing of an agreement would be incurred solely at the applicant's risk without obligation of payment by AAFC.**

## Program Duration

The program expires March 31, 2013. All eligible costs must be incurred by that date.

## Submission of Applications

AIP uses an open system where applications can be submitted for review at any point until the available program budget has been fully allocated. Applications are considered as soon as they are received and found to be complete.

Applicants will receive written notification from program officials acknowledging receipt of the application. Applications will be reviewed by AAFC and, if required to properly evaluate the proposal, by external experts. Applications will be reviewed to ensure that program objectives and assessment criteria are adequately addressed. Decisions reached during the review process will be final.

Following the AAFC review process, applicants will receive a letter with AAFC's final decision. Successful applicants will be required to enter into a Contribution Agreement (CA) and/or a Collaborative Research and Development Agreement (CRADA).

## Stream A: Knowledge Creation and Transfer

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### Description

The Knowledge Creation and Transfer stream aims to accelerate the pre-commercialization of new agri-practices, products and processes by supporting activities that:

- help the development of strategic business planning related to science and research to foster innovation and leadership;
- increase the access to and support collaboration and planning by stakeholders that are engaged in developing or expanding agricultural value chains;
- increase the access of agri-based organizations to support the implementation of applied science and technology development projects.

The Knowledge Creation and Transfer stream facilitates access to university, government and other scientific resources that may be required by agri-based organizations to address specific issues or opportunities.

AAFC's network of research facilities across Canada will support collaborations and accelerate the uptake of technologies at the farm level.

Two components are available under the Knowledge Creation and Transfer stream:

#### Component 1: Innovation Strategy Development

The Innovation Strategy Development component will provide non-repayable funding for activities which facilitate value chain development including:

- investigations and consultations from a research perspective of market opportunities or threats; and
- strategic research business planning and development to foster leadership.

Examples of types of projects that could be considered for funding:

- developing, or expanding existing, agricultural value chains;
- developing science-based, research strategic business planning to foster leadership; and
- developing and exploring new agricultural, agri-food and agri-based product and/or process innovation opportunities.

The funding will be provided to the recipient under a CA.

## Component 2: Implementation of Applied Science and Technology Development Projects

The Implementation of Applied Science and Technology Development Projects component will provide non-repayable funding, including any research support, to foster collaboration between the private sector, AAFC and/or academic labs to access the applied scientific research and development expertise and resources needed to accelerate the development of new products, practices and processes. Projects will lead to the successful transformation of innovative ideas into new knowledge and technology.

Examples of types of projects that could be considered for funding :

- scientific and technical research support relating to product, practice or process development;
- technology development and demonstration projects; and
- pre-commercialization and development projects involving agricultural products, practices and processes advancing projects towards the development and commercialization of intellectual property.

Funding and/or support can be provided under the following situations:

1. Applicant could request funding for research activities being performed outside of federal departments and agencies (under a CA). This could include, for instance, research activities performed at universities, private sector labs or provincial government facilities. Funding under a CA cannot be used for activities with Canadian federal departments and/or agencies.
2. Applicant could request support for research activities being performed only within federal departments and agencies (under a CRADA). This could include, for instance, research activities performed at AAFC's research facilities, National Research Council (NRC), Natural Sciences and Engineering Research Council of Canada (NSERC), etc.
3. Applicant could request funding for research activities being performed outside of federal departments and agencies (under a CA) AND request support for research activities being performed within federal departments and agencies (under a CRADA).

### **Eligible Applicants**

Eligible applicants include for-profit and not-for-profit organizations. All applicants must be legal entities and capable of entering into legally binding agreements. Preference may be given to projects located in Canada.



## Maximum Funding and/or Support

Applicants must determine and communicate clearly their requested funding and/or support under this program.

Not-for-profit organizations may target up to 75% of eligible project costs and for-profit organizations may target up to 50% of eligible project costs. The percentage of assistance requested by the applicant must be the same for research work performed under a CA and under a CRADA. The maximum funding and/or support to any eligible project will not exceed \$4 million, and the maximum funding and/or support per recipient will not exceed \$10 million over the life of AIP.

Total federal, provincial/territorial and municipal government funding and/or support, should not exceed 75% of total eligible project costs. The remaining eligible costs must be met through a cash contribution from non-government organizations. Applicants cannot use in-kind contributions to cover part of the eligible costs of a project. Projects with a higher ratio of non-government funds may be given preference.

The level of federal assistance requested under this program will be assessed against the level of risk and the impact of the project on the primary sector. (See assessment criteria on pages 11 to 14).

## Eligible Costs

Eligible costs are costs that are incurred by the recipient and which, in the opinion of the Minister, are reasonable, incremental, and required to carry out the eligible activities to which they relate. Eligible costs include:

- goods and services and all related shipping and transportation costs;
- labour including wages/salaries and benefits, specific per diem fees, and contract/consulting costs;
- rental or lease of facilities, equipment or machinery;
- the purchase of capital items, such as equipment and furnishings;
- materials/consumables needed to undertake the project;
- licenses and permits;
- costs of work related to compliance with the *Canadian Environmental Assessment Act* (CEAA);
- reasonable travel and hospitality costs based on Treasury Board guidelines as a comparative standard;
- production of materials required to fulfill obligations under the agreement, including translation;
- overhead costs when it can be clearly demonstrated they constitute incremental costs that cannot be absorbed by the recipient (to be considered on a case-by-case basis); and
- other reasonable costs directly related to the project, at the discretion of the Minister.

## Ineligible Costs

Ineligible costs include:

- the value of in-kind contributions;
- building purchase, renovation, site improvement, leasehold improvements and construction costs;
- capital items not specifically required for the execution of the project;
- refundable portion of the Goods and Services Tax/Harmonized Sales Tax, value-added taxes, or other items for which a refund or rebate is received;
- travel and hospitality costs deemed excessive compared to Treasury Board guidelines or gifts associated with the hosting of events;
- costs related to Canadian federal government departments and agencies such as fees paid to the Plant Breeders Rights Office and Canadian Intellectual Property Office; and
- any other expenditure not specifically listed as eligible or otherwise approved to be eligible.

## Reporting Requirements

Successful applicants will provide financial and performance reporting on their activities in the form of periodic updates and status reports as required under the terms and conditions of their agreement with AAFC. These reports must include non-confidential activity summaries written for a general audience using plain language that may be used for communication purposes.

## Intellectual Property

In order to facilitate future use and potential commercialization of the new intellectual property, of any intellectual property subsequently developed using that intellectual property, or of the new intellectual property as bundled with necessary background intellectual property, applicants must agree that they will avoid joint or divided ownership of new intellectual property or of the bundled intellectual property rights that arise from the funded or otherwise supported project. If this is not feasible, then applicants will be required to provide a workable alternative that assures accountability and responsibility for the effective utilization of new intellectual property.

AAFC may include a provision in the agreement that a non-exclusive and royalty-free license is granted to Canada to enable it to use the intellectual property for research and development, and/or for publication purposes.

Further general information can be found in the “Notes To Applicants” section of this guide.

# The Application Process - Knowledge Creation and Transfer Stream

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## Application Preparation

Applicants are encouraged to submit their applications as soon as possible to ensure maximum time to carry out their activities.

Applications can be submitted for review at any point until the program has fully allocated its available budget. Applications are considered as soon as they are received and found to be complete.

This program expires on March 31, 2013. All project activities must be completed by that date, including submitting claims with invoices, auditing and reporting. Activities performed after March 31, 2013 will not be deemed eligible and related costs will therefore not be refunded. It is strongly suggested that research activities be completed by January 31, 2013.

The application must be developed in collaboration with all research participants and be signed by a representative of the organization at the President / CEO or equivalent level. The proposal must be described using the structure outlined in the Written Proposal template.

Applicants should complete and submit the application and required attachments including:

- a copy of the Project Application Form including a signed and dated Declaration;
- a copy of a signed and dated Consent to Disclose Personal and/or Business Information Form for all participating organizations (other than the applicant);
- a completed Written Proposal template;
- letters of support (not mandatory, but recommended);
- a completed Knowledge Creation and Transfer Work Plan template;
- a completed Budget template;
- a copy of the company's Certificate or Articles of Incorporation;
- an organizational chart indicating names and titles of the management team;
- copies of the organization's annual financial statements (audited, review engagement or notice to reader) for the past two years or since the date of start-up.

**NOTE:** The application and required attachments may be downloaded from the Alternate Formats section of the AIP web site or obtained by calling toll-free 1-877-246-4682 or emailing [AIP@agr.gc.ca](mailto:AIP@agr.gc.ca).

Applicants should send an original, signed copy of the Application and attachments, along with an electronic copy (CD ROM), to:

**Agriculture & Agri-Food Canada**  
**Agricultural Innovation Program – Stream A**  
**Tower 7, Floor 8, Room 246**  
**1341 Baseline Road**  
**Ottawa, ON, K1A 0C5**

Alternatively, the electronic version of the application and attachments may be sent by e-mail to [AIP@agr.gc.ca](mailto:AIP@agr.gc.ca) with the signed original and attachments sent by mail or courier to the above noted address.

### Contact Information

Details about the Knowledge Creation and Transfer stream, including a full range of Frequently Asked Questions, can be obtained at <http://www.agr.gc.ca/AIP>.

For further information please contact us toll-free at 1-877-246-4682, or by e-mail at [AIP@agr.gc.ca](mailto:AIP@agr.gc.ca).

AAFC will acknowledge receipt of each application within two business days of receipt. Following receipt, AAFC will check and advise whether the application and attachments are complete. All incomplete applications will be placed on hold until the necessary information is received.

Applicants that have provided all the necessary information, including an Environmental Assessment (EA) (if required), will be notified of the funding decision by letter. Once a project is underway, recipients will be required to provide regular progress reports and may be subject to a financial and/or compliance audit.

### Assessment Criteria

To ensure that the AIP objectives are met under the Knowledge Creation and Transfer Stream (Stream A), proposals will be assessed against the following four groups of selection criteria. In addition, selected projects will also be monitored on an ongoing basis throughout the project lifecycle against these same criteria.

#### Component 1 - Innovation Strategy Development:

1. Benefits to Canada, Canadians and Agriculture
  - The extent to which the project addresses issues of high priority for the sector in Canada.
  - The extent to which the project could yield significant economic benefits to the sector locally, regionally or across Canada.
  - Preference may be given to projects located in Canada.

- The extent to which the project supports national interests.
  - The likelihood that the project will:
    - accelerate innovation leading to more agri-products and processes with greater value entering the marketplace;
    - increase demand for primary production or the opportunity to grow crops or raise livestock of higher value;
    - foster leadership;
    - contribute to increasing sector value chain capacity.
  - The extent to which the proposal addresses the objectives and outcomes of this component under AIP.
2. Track Record and Potential
- The ability of the applicant and participants to attract the targeted industry cash investment.
  - The ability of the applicant and participants to set research priorities and create momentum on the value chain.
  - The ability of the applicant and participants to develop or expand the value chain.
3. Knowledge Generation and Technology Development
- Generation of further innovation and benefits:
    - opportunities for development of long-term business relationships in the value chain as a result of the proposal activities.
  - How the strategy developed will be utilized:
    - identification of the collaborative relationships the applicant has employed, or will employ to develop research priorities for the value chain;
    - identification of mechanisms or processes to work with stakeholders to improve their knowledge and ability to use and benefit from the value chain.
  - The likelihood that development will lead to new market opportunities for agricultural products.
4. Strength of the Proposal
- The quality of the:
- work to be done including all major activities;
  - work plan and how progress will be measured;
  - project participants, locations and schedule; and
  - cost breakdown.
  - The likelihood that the applicant will manage, protect and exploit the results.
  - Evidence that the applicant has in place a managerial structure likely to result in effective leadership, sound financial decision-making and appropriate performance reporting for the implementation of the project.
  - The excellence, focus and success potential of the market/benefit analysis.

- The extent to which the applicant identifies and addresses the risks and mitigation measures associated with the value chain development.

## Component 2 - Implementation of Applied Science and Technology Development Projects

1. Benefits to Canada, Canadians and Agriculture
  - The extent to which the project addresses issues of high priority for the sector in Canada.
  - The extent to which the project could yield significant economic benefits to the sector and Canada.
  - Preference may be given to projects located in Canada.
  - The likelihood that the project will:
    - increase investment by the private sector in Canadian agri-science as farmers and agri-businesses recognize the benefits of being able to direct their own applied science;
    - accelerate the development, transfer and uptake of program research and innovation results by the sector;
    - strengthen public-private sector collaboration to address significant research challenges that meet business needs;
    - accelerate new product, practice and process development.
  - The extent to which the project accelerates the pace of innovation.
  - The extent to which the project is different from current and previous research performed by the organization or sector.
2. Track Record and Potential
  - The ability of the applicant and participants to attract the targeted industry cash investment.
  - The achievements of the applicant and participants and their ability to lead the science project.
3. Knowledge Generation and Technology Development
  - Generation of further innovation and benefits:
    - identification of spin-off concepts, business relationships and opportunities that may be derived from the proposal activities.
  - How the technology or knowledge developed will be transferred and/or utilized:
    - identification of the collaborative relationships the applicant has developed or will develop and employ to commercialize their innovation;
    - identification of mechanisms or processes to work with stakeholders in the value chain to improve their knowledge and ability to use and benefit from the project deliverables.
  - The likelihood that new products or processes can be commercialized within 3 to 5 years by firms operating in Canada and that these will strengthen the sector, enhance productivity, and contribute to long-term economic growth and social benefits.

#### 4. Strength of the Proposal

- The quality of the:
  - research to be done including all major activities;
  - research work plan and how progress will be measured;
  - research project deliverables;
  - project participants, locations and schedule; and
  - cost breakdown.
- The novelty of the overall concepts and approach.
- Suitability of proposed methodology.
- The likelihood that the applicant will manage and exploit the results.
- Evidence that the applicant has the effective leadership position, sound financial decision-making process, and appropriate performance reporting.
- Evidence of specific application of knowledge and improvements to current practices.
- Evidence of the creation of novel products, processes and services that are or may become useful to society.
- The excellence, focus, feasibility and success potential of the proposed research activities.
- The extent to which the applicant identifies and addresses risks and mitigation measures associated with the execution and completion of the project.

## Stream B: Commercialization

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### Description

The Commercialization stream aims to facilitate the commercialization and adoption of agri-based innovations in Canada to help increase the competitiveness and sustainability of the agricultural, agri-food or agri-based sector. Repayable funding will be provided for activities such as constructing and renovating facilities, purchasing and installing equipment, and marketing opportunities.

### Eligible Applicants

Eligible applicants include for-profit corporations, co-operatives and Aboriginal groups involved in the commercialization or adoption of innovative agricultural, agri-food or agri-based products, processes, technologies, or services.

Applicants must be legal entities and capable of entering into legally binding agreements.

### Eligible Projects

Projects seeking funding for the following activities are eligible under the Commercialization stream:

- commercializing or adopting innovative agricultural, agri-food or agri-based products, technologies, processes and services;
- establishing, expanding, or modernizing a facility to commercialize or adopt an innovative agricultural, agri-food or agri-based product, technology, process or service for domestic and/or international markets;
- implementing marketing opportunities related to the commercialization or adoption of an innovative product, technology, process or service.

Applicants must demonstrate that the innovative product, technology, process or service being commercialized or adopted is proven and ready for production or use, and that the project can be completed by March 31, 2013.

In addition, applicants must demonstrate that their projects contribute to one or more of the following benefits to Canada:

- increased revenues in the agricultural sector;
- increased demand for primary agriculture and/or agri-based inputs; or
- increased employment in the sector.



Priority will be given to projects that demonstrate that they are one or more of the following:

- transformative\* for the sector;
- focused on creating or expanding export markets;
- commercializing or adopting products, technologies, processes or services that have been recently proven i.e. within the last five years.

\*Transformative projects are defined as projects that are leading edge with the potential to introduce a significant change or adaptation to the sector, for example:

- a new form of input transformation (e.g., in the way that fractionation or freeze drying has resulted in new applications for ingredients);
- significant improvement in product attributes (e.g., cold pasteurization, Individually Quick Frozen, or irradiation) or product packaging (e.g., aseptic and atmospheric packaging);
- new category development (e.g., bioactives).

### Maximum Funding

The maximum funding to any eligible recipient will not exceed \$10 million over the life of AIP.

Interest-free, fully repayable funding of up to 50% of eligible project costs to a maximum of \$10 million per project will be considered under the Commercialization stream.

Total government funding (federal, provincial/territorial and municipal) for eligible costs under this stream cannot exceed 75% of those costs.

### Eligible Costs

Eligible costs are those incurred by the recipient and which, in the opinion of the Minister, are reasonable, incremental, and required to carry out the eligible activities to which they relate. Eligible costs include:

- goods and services and all related shipping and transportation costs;
- labour including wages/salaries and benefits, specific per diem fees, and contract/consulting costs;
- rental, lease of facilities, equipment or machinery;
- materials/consumables needed to undertake the project;
- licenses and permits;
- costs of work related to compliance with the CEAA;
- production of materials required to fulfill obligations under the agreement, including translation and production of materials in the second official language;
- building purchase, renovation, site improvement, leasehold improvements and construction costs;

- machinery, equipment, and software purchase and installation costs;
- start-up costs, including interest capitalized during construction, insurance during construction, fees and charges for operation of equipment for adjustment and calibration, and training;
- marketing costs, hiring of marketing expertise and other related activities; and
- other reasonable costs directly related to the project, at the discretion of the Minister.

**NOTE:** Even if an applicant is advised that their project is approved and the applicant starts incurring costs, no costs are eligible for reimbursement unless a CA is ultimately signed between the applicant and AAFC. Any costs incurred prior to the signing of a CA would be incurred solely at the applicant's risk without obligation of payment by AAFC.

### Ineligible Costs

Notwithstanding that the following costs may have been or may be reasonably and properly incurred by the recipient during the performance of project activities, they are considered ineligible costs under the Commercialization stream. These ineligible costs include:

- capital items not specifically required for the execution of the project;
- refundable portion of the Goods and Services Tax/Harmonized Sales Tax, value-added taxes, or other items for which a refund or rebate is received;
- any portion or any cost or assistance that, in the Minister's opinion, exceeds the fair market value for that cost item or assistance;
- any cost, such as amortization that would not result in a direct, out-of-pocket expense for the recipient;
- land, goodwill, and existing equipment or buildings owned by a related party;
- research and development costs; and
- any other expenditure not specifically listed as eligible or otherwise approved to be eligible.

### Payments to Recipients

Payments will be made based on claims submitted to AAFC for eligible costs incurred by the recipient in accordance with the terms of the CA. Each claim must be supported by details of the costs being claimed and certified by an authorized official of the recipient.

### Reporting Requirements

Successful applicants will be required to provide periodic financial, work plan progress and performance reports as required under the terms and conditions of the CA with AAFC. Annual performance reports will be required during the project work phase and for a minimum of three years after project completion,

and the applicant's financial statements will be required annually until such time as the repayment period has ended.

## Repayment

Contribution funding under the Commercialization stream is fully repayable. The recipient shall repay the contribution funding via equal payment installments to the Crown over a period of up to ten years following project completion. This period may be shorter depending on factors such as, but not limited to, the useful life of the asset purchased using the funding from this program.

Repayment will normally begin one year following the completion of the project. Repayments must be completed within 10 years of the program end date.

No interest is payable with the exception of interest charged on late payments and debts owed to the Crown, should such situations arise.

## Transferability

In cases where buildings, machinery and equipment are constructed or purchased as part of the project, a recipient must obtain written approval from AAFC for any transfer of ownership of all or a part of a building, machinery or equipment purchased with program funds until all obligations in the CA, including repayment, have been met. To enable AAFC to determine if a proposed transfer can be approved, based on AIP objectives and funding criteria, the recipient must provide AAFC with advance written notice of any proposed transfer of ownership of all or part of a building, machinery or equipment purchased with program funds, the name and address of the transferee, and any other information deemed necessary by AAFC at minimum 30 days prior to the proposed transfer.

## Retention of Ownership

In cases where buildings, machinery and equipment are constructed or purchased as part of the project, the buildings, machinery and equipment must be retained by the recipient for the duration of the project, including the repayment period, unless otherwise agreed to in writing by AAFC. In the absence of written approval, full repayment of the AIP contribution would come into effect immediately upon disposition of AIP funded buildings, machinery and equipment.

Further general information can be found in the "Notes To Applicants" listed on page 23 of this guide.

## The Application Process - Commercialization Stream

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Potential applicants should review the eligibility criteria for the Commercialization stream and other requirements published in this guide.

### Applicant Self-Screening Checklist

Applicants should complete the self-screening checklist to determine if they may be eligible for AIP funding before investing valuable time and effort in completing an application.

### Application Preparation

If a proposed project appears to meet the eligibility criteria and other requirements, applicants should:

- contact AIP toll-free at 1-877-246-4682 or by e-mail at [AIP@agr.gc.ca](mailto:AIP@agr.gc.ca). A program official will call back to discuss your proposal, confirm basic eligibility and provide guidance on the level of detail required in the application.
- contact AAFC's Environmental Services Unit by sending an e-mail to [environmentalservice@agr.gc.ca](mailto:environmentalservice@agr.gc.ca) to determine if the proposed project may require a federal EA and, if required, the timing for undertaking and submitting the assessment.

Please ensure that the Agricultural Innovation Program is referenced in the e-mail and provide a brief description of the proposed project, including the answers to the following questions:

- Does your project involve the construction of a new facility/building? If yes, please provide the proposed footprint of the building and a brief description of the planned construction. Please note that footprint is defined as the area of land occupied by a building or other structure at ground level.
- Does your project involve the expansion of an existing facility? If yes, please provide the footprint of the existing building as well as the proposed footprint and a brief description of the planned expansion.
- Does your project involve the structural or functional modification of an existing facility? If yes, please describe this modification.
- Is a water body\* located within 30 meters of the project area? If yes, please describe the water body and provide the distance from the project.

*\*The definition of water body includes a lake, a canal, a reservoir, an ocean, a river and its tributaries and a wetland, up to the annual high-water mark. A sewage or waste treatment lagoon, a mine tailings pond, an artificial irrigation pond, a dugout or a ditch that does not contain fish habitat are not considered water bodies.*

Upon receipt of a complete project description that includes answers to the above questions, AAFC's Environmental Services Unit will review the project details to determine if a federal EA is required and will issue an EA Determination Form. If an EA is required and if the applicant wishes to begin working on the EA, Environmental Services Unit will assist you in understanding the related requirements.

Applicants should complete and submit the application and required attachments including:

- a copy of the Project Application Form including a signed and dated Declaration;
- a copy of a signed and dated Consent to Disclose Personal and/or Business Information Form for any third party participant;
- a copy of the completed Commercialization Stream Self-Screening Checklist;
- an existing detailed Work Plan, Budget and Business Plan for the project; or alternatively, copies of the AIP Commercialization Stream Work Plan and Budget, and Business Plan Outline templates (if existing company prepared versions of these documents are being provided, ensure that all elements of the AIP templates are covered adequately within the submission or attach supplementary information to address missing elements);
- an AIP Commercialization Project Outcomes, Project Financing Plan and Benefits to Canada template;
- copies of quotes and descriptions/specifications provided by suppliers for all building construction or modifications and equipment and technology included in the proposal;
- copies of quotes provided by contractors/consultants for work to be performed on the project;
- a copy of the company's Certificate or Articles of Incorporation;
- a copy of any inter-company or other agreements impacting the proposed project;
- an organizational chart indicating names and titles of the management team;
- a diagram of the applicant's corporate structure including parent and subsidiary companies and their interrelationships and mandates;
- copies of the organization's annual financial statements (audited, review engagement or notice to reader) for the past three years or since the date of business start-up, the latest interim (audited or unaudited) financial statements, and, if applicable, the most recent annual report or audited financial statements of the parent company

- or principal owner. For diversified organizations, the financial statements of the division or branch directing the project must also be included;
- a copy of the annual pro forma financial statements (Income Statement, Balance Sheet, and Cash Flow Statement), and assumptions used to arrive at these projections for the duration of the proposed work plan plus the three following years of operation – for the overall company operations including the project identified separately;
  - copies of all financing agreements related to the project financing plan; and
  - a copy of the EA Determination Form completed by AAFC's Environmental Services Unit indicating whether an EA is required. Those requiring an EA should also include either a copy of the complete EA signed by AAFC; or a description of the status of the EA and name of the contact person at the Environmental Services Unit who is managing AAFC responsibilities related to the EA process.

**NOTE:** The application and required templates may be downloaded from the Alternate Formats section of the AIP web site or obtained by calling toll-free 1-877-246-4682 or emailing [AIP@agr.gc.ca](mailto:AIP@agr.gc.ca).

Applicants should send an original, signed copy of the Application and attachments, along with an electronic copy (CD ROM), to:

**Agriculture and Agri-Food Canada  
Agricultural Innovation Program  
1341 Baseline Road  
Tower 7, Floor 7, Room 263  
Ottawa, Ontario  
K1A 0C5**

Alternatively, the electronic version of the application and attachments may be sent by e-mail to [AIP@agr.gc.ca](mailto:AIP@agr.gc.ca) with the signed original and attachments sent by mail or courier to the above noted address.

If assistance is required to complete the application, please contact AIP toll-free at 1-877-246-4682, or by e-mail at [AIP@agr.gc.ca](mailto:AIP@agr.gc.ca).

AAFC will acknowledge receipt of each application within two business days of receipt. Following receipt, AAFC will check and advise whether the application and attachments are complete. All incomplete applications will be placed on hold until the necessary information is received.

During the application assessment process, a program official will remain in contact with applicants. Applicants that have provided all the necessary information, including an EA (if required), will be notified of the funding decision by letter. For all approved projects, AAFC will prepare CA to be signed by

applicant and AAFC.

Upon receipt of a signed CA, AAFC will provide forms and directions regarding financial claims/payments, progress and final project reports, and repayment requirements.

Once a project is underway, recipients will be required to provide regular progress reports and may be subject to a financial and/or compliance audit. AAFC may also visit sites to verify information received and project progress.

### Assessment Criteria

To ensure that applications under the AIP Commercialization stream are meeting program objectives, they will be assessed for:

- Eligibility (applicants, activities, costs, location, technology or process proven and available for use, end date);
- Sources and levels of government funding and non-government financing;
- Need for AIP funding;
- Financial capacity to finance the project;
- Financial capacity to repay the AIP contribution;
- How the project will fit into and improve upon the company's business and existing technologies, processes and/or products, and address challenges being faced by the company and the sector;
- Impact of the manufacturing technology or process on the competitiveness of the applicant;
- Technical feasibility of the manufacturing technology or process;
- Technological and operational capability of the company to undertake the project;
- Managerial capability (experience and track record) to undertake the project and manage the company through the repayment period;
- Marketing capability of the company to generate ongoing/increased revenues necessary for business viability and AIP repayment;
- Benefits to Canada to be derived from the project (for example, increased demand for primary agriculture and agri-based inputs, increased production and sales, and job creation);
- Environmental impact based on the EA, if required; and
- Level of risk associated with the project after mitigation measures proposed to manage/reduce risk have been considered.

## Notes To Applicants

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### Communications Materials and Products

A listing of approved projects may be published on the AAFC website including the name of the funding recipient, the project name, and the amount of the AIP funding. This information, along with a description of the project, may also be published in joint project funding announcements and other government documents including public reports on the progress of government programs. Recipients may be asked to participate in other media events, such as news conferences, to communicate the value of the projects supported under the program.

### Security of Information

All information provided to AAFC through the AIP application process and in relation to approved projects is subject to the provisions of the *Access to Information Act* and *Privacy Act* and will be disclosed or protected in accordance with these Acts and any other applicable laws. Information on these Acts is available at the following website: <http://laws.justice.gc.ca>.

It is the applicant's responsibility to clearly identify, on any documentation it submits to AAFC, the information it considers to be commercially confidential. This information will not be disclosed unless required by law, including the *Access to Information Act*, or upon the express authorization of the applicant.

The personal and business information is being collected under the authority of the *Department of Agriculture and Agri-Food Act* and may be used by AAFC, or disclosed to third parties for the purposes of assessing and reviewing the eligibility of the applicant and the project and may be used for the purposes of audit, analysis, risk assessment, and evaluation of the applicant and/or the project.

A Personal Information Bank has not been created for this program however, a description of all information holdings associated with this program is available under the AAFC chapter at <http://infosource.gc.ca>.

The business information provided in or with the Project Application Form may be used by AAFC or disclosed to third parties to determine eligibility for other AAFC, Government of Canada, or provincial/territorial programs from which the applicant may benefit.

Where the Applicant provides information about other individuals or entities, the Applicant will attach to the Project Application Form the necessary written authorizations. A Consent Form, for the disclosure of personal/business information of other entities or individuals, setting out the necessary written authorizations, is provided with the standard Project Application Form.



A list of approved projects may be published on the AAFC website including the name of the recipient, the project name, and the amount of AIP contribution. This information, along with a description of the project, may be made public in project funding announcements or other promotions and in other government documents including public reports on the progress of government initiatives.

The information submitted in or with a Project Application Form is disposed of in accordance with the retention requirements of AIP. The records of applicants whose project has been approved for funding will be retained for 6 years after the last administrative action on the file and then transferred to Library and Archives Canada for selective retention. The records of applicants whose project has not been approved for funding will be retained for 6 years after the last administrative action on the file and then destroyed.

### **Use of (In-house or External) Lobbyist**

All applicants must be in compliance with the *Lobbying Act* (<http://www.ocl-cal.gc.ca/epic/site/lobbyist-lobbyiste1.nsf/en/Home>) with regard to any consultant and/or in-house lobbyist who undertakes any lobbying activity related to the proposed project. Please visit the Office of the Commissioner of Lobbying of Canada web site (<http://www.ocl-cal.gc.ca/eic/site/lobbyist-lobbyiste1.nsf/Intro>) to determine your obligations under the Act.

Under the *Lobbying Act*, a lobbyist includes any person(s) who receives payment (or any other consideration) for communicating with a public office holder on behalf of any person, corporation, or organization, pertaining to the provision of a contribution. AAFC must be advised if the applicant engages a lobbyist to represent the applicant's interest in relation to its request for support towards the proposed project. As well, the lobbyist must be registered and in compliance with the *Lobbying Act*, and cannot be paid a commission, contingency fee or any other consideration that is dependent upon the execution of an agreement with the Minister of Agriculture and Agri-Food for AIP funding.

The making of or receipt of any such payment or other consideration to a lobbyist may give rise to breach of Section 121 of the Criminal Code.

Information on the Lobbyist Registration Act is available at the following website: <http://www.ocl-cal.gc.ca/eic/site/lobbyist-lobbyiste1.nsf/Intro>

### **Unpaid Debt**

It is a requirement of the Treasury Board Policy on Transfer Payments that recipients of funds declare any amount owing to the federal government under legislation or funding agreements. The applicant must indicate whether it has any outstanding debts with the Government of Canada. If so, please indicate the name of the program and the amount of unpaid debt with a description of the situation.

## Conflict of Interest Disclosure

Where an applicant employs or has a major shareholder who is either a current or former (in the last twelve months) public office holder or public servant in the federal government, compliance with related code (i.e. *Code of Values and Ethics*) must be demonstrated. Please provide information for anyone involved with this project that has been employed with, or held public office with, the federal, provincial or territorial governments in the past year.

## M-30 Law (for Quebec organizations only)

Successful applications from organizations located in the province of Québec will be required to complete and sign an “Additional Information on the Sponsor” form prior to the negotiation of an agreement and [must also, if the M-30 Act of the province of Quebec applies, provide a copy of the Quebec Minister’s \(as that term is defined in that Act\) prior written authorization to enter into an agreement under this Program with Canada.](#)

## Environmental Assessment

Some projects proposed under the AIP (primarily under the Commercialization stream) may require a federal EA under the CEAA. Examples of such projects could include, but are not limited to, projects involving the construction of a new facility, significant changes to existing facilities, or projects within 30 metres of a water body. See page 19 of this guide for further information on the EA process.

Should AAFC determine that a federal EA of the applicant’s proposed project is required pursuant to the CEAA, then AAFC will inform the applicant, and the applicant (or a consultant working on the applicant’s behalf) will take such measures as AAFC directs that are necessary in order to complete the EA. The applicant will undertake and complete these measures as soon as practicable in the planning stages of the project. All EAs will be completed in accordance with the CEAA, and under the direction of AAFC’s Environmental Services Unit. However, any direction by AAFC to undertake measures for purposes of completing an EA, and any completion of such measures by or for the applicant, shall not constitute an approval of the project for funding under the program.

If a CA is signed between an applicant and AAFC, EA costs may be considered as eligible project costs retroactive to the commencement of the program.

**NOTE:** Any EA costs incurred prior to the signing of a CA are at the applicant’s own risk, without expectation of project approval or payment by AAFC.