



AgriRisk Initiatives - Research and Development Contribution Funding

Applicant Guide

AgriRisk Initiatives – Research and Development – Applicant Guide

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For more information reach us at www.agr.gc.ca or call us toll-free 1-855-773-0241.

Purpose of this guide

This guide will:

1. Help you determine if you may be eligible for contribution funding from Agriculture and Agri-Food Canada (AAFC) under the AgriRisk Initiatives (ARI) Research and Development (R&D) Stream.
2. Provide you with instructions and guidelines to assist you in completing the ARI R&D Contribution Funding Stream project application form.

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1.0 Canadian Agricultural Partnership

The *Canadian Agricultural Partnership* is a five-year investment by federal, provincial and territorial governments to strengthen the agriculture, agri-food and agri-based products sector. Under the *Canadian Agricultural Partnership*, producers will continue to have access to a robust suite of business risk management (BRM) programs.

The Partnership is effective up to March 31, 2023.

The AgriRisk Initiatives (ARI) is divided into two program streams: the ARI Research and Development (R&D) Stream and the ARI Administration Capacity Building (ACB) Stream. ARI is a five-year program under the *Canadian Agricultural Partnership* that addresses the risk management priority area of the partnership.

1.1 About the AgriRisk Initiatives R&D Contribution Funding Stream

Program Objectives

The ARI R&D Contribution Funding Stream's objectives are to:

- Support agricultural and agri-business stakeholder groups to develop new and innovative business risk management tools to fill identified risk exposures; and
- Increase participation of the private sector in providing risk management tools (products and services) to the Canadian agricultural sector.

The ARI R&D Contribution Funding Stream will target risks that:

- Are a priority to industry (such as plant or animal disease, price risk, or marketing transactions risk); and
- Are not adequately addressed by currently available risk management tools.

The ARI R&D Contribution Funding Stream may also target eligible recipients from the following five groups: Indigenous farmers and land managers; women in agriculture; young and beginning farmers; official languages minority populations; and farmers with disabilities.

The ARI R&D Contribution Funding Stream will fulfill its objectives by providing time-limited financial contributions for the research and development of potential private sector, industry-led, or federal/provincial/territorial unsubsidized risk management products, including insurance, reciprocals and other various types of tools.

The ARI R&D Contribution Funding Stream Call for Applications process, outlined in Section 1.6 of this Guide, and the assessment criteria, outlined in Section 3.0 of this Guide, will allow for a comparative analysis of projects against clear criteria, and will ensure alignment to Government of Canada and AAFC priorities related to agriculture sector business risk management.

1.2 Eligible Applicants

A recipient must be a legal entity capable of entering into legally binding agreements.

The ARI R&D Contribution Funding Stream will provide assistance to **not-for profit** recipients that include:

- Industry organizations representing agricultural and agri-business stakeholders, such as producer associations, commodity groups, Indigenous groups, and farm services associations;
- Co-operatives, mutual insurance companies, reciprocals;
- Post-secondary academic institutions; and,
- Provincial and territorial governments.

1.3 Funding and Cost-Sharing

Available funding

The total ARI program funding is approximately \$11 million per fiscal year for a total of \$55 million over the five-year program. (This \$11 million includes the R&D, Micro Grants and ACB Streams).

Cost sharing

Funding amounts are determined through the application and assessment process described in Annex A.

Funding amounts are determined based on factors that include, but are not limited to:

- Scope and duration of activities;
- Importance of proposed eligible expenditures to the success of the project;
- Reasonableness of the overall projected cost of eligible costs given the projected outcome(s);
- Reasonableness and fair market value of proposed eligible costs; and,
- Other sources of project funding.

The ARI R&D contribution project funding stream has a cost-sharing requirement. Eligible project costs will normally be cost-shared between AAFC and the recipient as follows:

- Applicant/recipient contributions to the project (cash and in-kind contributions) will be sought at 15 percent of estimated eligible project costs.
- The AAFC funding contribution to a recipient can be up to \$500,000 per year to a maximum of \$2.5 million over five years.

All sources of funding for the project must be clearly indicated, including the applicant contribution, and other industry and/or partner sources of funding including:

- Other federal government departments or agencies
- Provincial/territorial governments
- Municipal governments
- Industry and/or partners, such as
 - Industry associations and networks
 - Businesses
 - Academic institutions

Stacking Provision

Total government funding (combined funding from federal government departments and agencies, provincial/territorial, and municipal governments) will generally not exceed 85 percent of the total value of the project. In the event that the actual total government assistance (federal, provincial/territorial, and municipal) for eligible expenditures, to a recipient for the same project, exceeds the limit specified in the Contribution Agreement, the overpayment shall be treated as a debt to the Crown and the eligible recipient will be required to repay the Crown the over-contribution.

1.4 Eligible Costs

All costs claimed or contributed under the program must fall within the program cost categories and respect all limitations. For more information and additional details on cost categories, eligible/ineligible costs and other limitations, refer to Annex C: Eligible Cost Items.

In general, ARI R&D contribution funding will be available for the eligible costs of approved project activities where eligible costs are those incremental expenditures directly related to the project activities, subject to a signed contribution agreement.

Eligible costs may include, but are not limited to:

- Cost of consultants, technical advisors, or subject matter experts necessary to the project;
- Cost of goods and services and all related shipping and transportation costs, including but not limited to:
 - Initial recipient project costs;
 - Costs of developing project materials, project communications and advertising;
 - Outreach/extension services with initial or ultimate recipient(s) and project public notices;
- Non-refundable portion of any federal and provincial/territorial taxes;
- Costs related to project manager's time to participate in the preparation of the recipient's annual audited financial statement as it is related to the project, to a

maximum of two days per year (only if the audit is prepared in the normal course of the recipient's business);

- Costs for compliance or financial audits;
- Costs for performance reporting;
- Costs related to communications/promotional activities in support of the project;
- Costs related to meeting venues and related hospitality (in accordance with Treasury Board of Canada guidelines on hospitality);
- Costs related to translation of public information including those related to compliance with the *Official Languages Act*;
- Project manager and contractors' project-related travel costs, such as transportation fees (air, train, bus, vehicle rental, etc.), accommodation, meals, incidentals and use of personal vehicle (in accordance with Treasury Board of Canada guidelines on travel with maximum limits imposed; and,
- Other costs, including costs not included in the original budget, having received the written approval of the Director, ARI program, prior to the recipient incurring these costs.

1.5 Eligible Activities

Eligible activities for funding under the ARI R&D Contribution Funding Stream are of the following nature and type:

- Risk assessments, vulnerabilities and opportunities assessments, sector profiles, and benchmarking analyses;
- Literature reviews and product reviews;
- Development or refinement of alternative risk management tools, insurance-based tools, and decision-making tools or services;
- Data collection and data reviews or verifications;
- Actuarial, financial or technical data analysis for developing tools, certifications and/or licensing;
- Presentations;
- Industry consultations, focus groups and surveys, consultations with other relevant stakeholders;
- Product launch strategies;
- Business cases for securing delivery agents or financial support (e.g., reinsurance);
- Recommendations and options for proposed risk mitigation, sharing or transfer products;
- Legal costs to advance projects through jurisdictional, regulatory and/or licensing requirements;
- Communications (e.g., translation), advertising, and marketing;
- Training modules and courses;
- Software purchases, programming and/or installation costs;
- Establishment of financial costs to launch a tool;
- Establishment and adaptation of organizational structure for delivery entities;

- Project management and project progress reporting;
- Financial and performance reporting;
- Development of work processes; and,
- Equipment for data collection and other analysis.

1.6 Application Process and Deadlines

The ARI R&D Contribution Funding Stream will be delivered through a call for applications (CFA) process where applicants will have a set number of days from the commencement of the CFA, to submit an application. Calls will occur periodically over the course of the *Canadian Agricultural Partnership*. Applicants are encouraged to visit the ARI program's website for the dates for these application periods or to contact ARI (contact information is available in Section 7 of this Guide). You may only submit an application once the intake period opens. No applications will be accepted outside the intake period.

For information on how to complete a project application, refer to Annex A: Application Process.

2.0 Expected Results – Performance Indicator Data

The ARI R&D Contribution Funding Stream aims to contribute to helping industry understand its risk exposure (both downside risk and upside opportunities), and to increasing the level of industry engagement in developing new and adopting new and existing risk management tools.

Each approved project will be expected to collect information to be used in calculating the following performance indicators for the ARI program:

- Percentage of producers that are engaged in developing new risk management tools; and,
- Number of producers that adopted new or existing private sector tools and/or other risk management strategies on farm as a result of the project.

Examples of types of data collection for these indicators can be found in Annex A: Application Process.

3.0 Assessment Criteria

All eligible projects are assessed on their individual merit, and on a comparative basis. Those with potential for the greatest benefits to industry and targeted groups and with the greatest alignment to the priority areas identified in the CFA may have a better chance of being approved for funding.

When preparing an application, the following criteria will be considered:

- The applicant's capacity to deliver the project through consideration of resources and timelines;
- The degree to which the project identifies and demonstrates an understanding of risks to the project and outlines clearly planned mitigation measures;
- The degree to which a proposed project can demonstrate it responds to a risk management opportunity or need in one or more sectors (e.g., that can be substantiated through letters of support);
- The degree to which the issue addressed by a proposed project will affect the sector(s) in question in the foreseeable future;
- The degree to which the expected project outcomes are clear, and the extent to which these outcomes are logically linked to clearly identified project activities and deliverables;
- The relative feasibility of the proposed project in meeting its expected outcomes;
- The level of engagement and consultation with industry;
- The number of project funding partners – including in-kind (e.g., multiple partners demonstrates more widespread interest in the project's success);
- The degree to which the project specifically targets the following groups: Indigenous farmers and land managers; women in agriculture; young and beginning farmers; official languages minority populations; and farmers with disabilities;
- The degree to which the project can demonstrate a future path to a future ACB project, and/or a concrete tool/deliverable that will enhance risk management in the sector;
- The project outcomes coverage of the agricultural sector (e.g., regional vs province specific, niche sector vs. broader applicability/sector size); and
- The degree of alignment with any other priority areas specifically identified in a targeted CFA process.

Additional Assessment Criteria

- The completeness of the application;
- The proposed project's activities and costs are eligible, reasonable and required to meet objectives;
- All sources of funding, including any in-kind support, for a proposed project to be funded under this program are identified;
- The capacity, general reputation, previous performance, and level of expertise of the applicant and/or contractors;
- The costs of contracted services (professional or specialized services for which a contract is entered into, such as consultant/expert services, research, project management to undertake activities) are reasonable and appropriate; and,
- The status of the applicants' and/or contractors' previous work funded by the department.

4.0 Reporting

Should you be approved for funding, you will be required to report on finances, performance and results. These reports include:

4.1 Progress Reports, Year-End Reporting and Final Project Report:

You will be required to provide progress reports describing the activities completed and progress made towards deliverables, as described in the Schedule A of the contribution agreement (which is based on the project workplan and key activities). You will also be required to provide a year-end report at the end of each fiscal year for which the project is undertaken, and a final report when the project is complete.

4.2 Performance Report:

You will be required to provide a performance report at the end of the project. An ARI R&D Contribution Funding Stream performance report template will be provided. The report will track progress against the performance measures mutually agreed to by the recipient and AAFC as outlined in the contribution agreement. These performance measures are project specific and are in addition to the data collected as outlined in Section 2.0.

4.3 Financial Reports:

Financial reporting is required, in tandem with the progress reports, as part of the claims process for reimbursement of expenditures. An annual year-end accounting and other financial reports are also required for the duration of the project.

Other reports may be required at AAFC's discretion.

5.0 Considerations

5.1 M-30 Act (Quebec only)

The Province of Quebec's M-30 legislation may apply to Quebec-based applicants only. It is the *Act Respecting the Ministère du Conseil exécutif* (R.S.Q., c. M-30).

More information on the Act is available online or by contacting the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation at dpci@mapaq.gouv.qc.ca.

M-30 applies to various types of Quebec organizations, for example, organizations located in Quebec and receiving more than half of their financing from the Government of Quebec may be subject to the Act.

All Quebec-based organizations will have to address this matter and demonstrate their compliance with the Act during the project assessment process, and prior to entering into a contribution agreement under the ARI R&D Stream.

5.2 Intellectual Property

Title to the copyright in documentation generated by or for the recipient and provided to the Minister (including reports, updates, and statements, be they in paper or electronic format), will vest in the recipient or with a third party, as may be negotiated by the recipient. The Minister, at his or her discretion, may include a provision in the contribution agreement, granting a non-exclusive, world-wide and royalty-free licence to the Crown to enable it to reproduce and distribute such documentation within the Department, within the Government of Canada or to other governments, in whole or in part, for program administration purposes or for public good purposes.

Title to the intellectual property rights that may arise in any standards and systems developed using transfer payments provided under the program will vest in the recipient or in a third party, as may be negotiated by the recipient. Where the Minister deems that the purpose of the transfer payment initiative is to support the development and use, for the public good, of such standards or systems, the Minister may at his or her discretion include wording in the contribution agreement requiring that the recipient publish or otherwise make available such standards or systems on an open, free basis, or if applicable, that the recipient ensure that third parties (including recipients receiving redistributed funding, if applicable) who are granted title to the intellectual property do so. The Minister may also, at his or her discretion, require that the recipient grant, or ensure that the third parties holding title to the intellectual property grant the Crown a royalty-free, non-exclusive and world-wide licence to publish or otherwise make available the standards or systems for non-commercial purposes.

Where transfer payments fund scientific and/or innovation-related activities that may result in the creation of new intellectual property, other than intellectual property in non-commercial standards or systems as described in the paragraph above, title to such intellectual property will vest in the recipient or in a third party, as may be negotiated by the recipient. Where the Minister considers that further research and development using the intellectual property is advisable, or that the results of the recipient's research should be published, the Minister may, at his or her discretion, include a provision in the contribution agreement requiring that the recipient grant, or ensure that third parties (including recipients receiving redistributed funds, if applicable) holding title to the intellectual property grant the Crown a non-exclusive, royalty-free and world-wide licence to use the intellectual property for research and development and/or scientific publication purposes.

5.3 Minister's Statement

Please note that even if a project meets all eligibility criteria, the submission of an application creates no obligation on the part of the Minister or of Agriculture and Agri-Food Canada officials to provide funding for the proposed project. The Minister retains discretion to determine, based on other public policy and public interest considerations, whether an application that meets the criteria identified in this Guide will ultimately receive funding.

6.0 After you apply

You will receive an email acknowledging receipt of your online application within two (2) business days. You will receive a second email to confirm a Complete Application package has been received. If you do not receive these e-mails, please contact the program by email at ari-iar@agr.gc.ca or by phone at 1-877-246-4682.

*Note: You should not consider an application as submitted to the program until you receive both acknowledgement notices.

The project approval process is based on the submission of a completed application package as described in Annex A of this Applicant Guide. Applications will be assessed according to the criteria described in Section 3.0 of this Applicant Guide, and any additional criteria specified in the CFA, and will be subject to a comparative process for funding. Applicants will be informed of the ARI decision on their completed package within 100 business days after the Call for Applications period ends.

If the application package is approved, additional budget information will need to be negotiated and declarations will need to be provided before a Contribution Agreement can be signed.

Service Standards

Our goal is to:

- Respond to general inquiries made to our phone number or email address before the end of the next business day
- Acknowledge receipt of your application within two business days
- Assess your completed application package and send you an approval or a rejection notification letter within 100 business days after the Call for Applications period ends. A full review and assessment of your application package against the principles and criteria of the program will be carried out. At any point after you apply, we may contact you for more information.

7.0 Contact Us

For more information on the ARI R&D Stream, please contact us at:

E-mail: ari-iar@agr.gc.ca

Telephone 1-877-246-4682 / TDD/TTY: 613-773-2600

Agriculture and Agri-Food Canada
AgriRisk Initiatives, Director
1341 Baseline Road
Tower 7, Floor 7, Room 353
Ottawa, ON K1A 0C5

Annex A: Application Process

Application Approval Processes

The ARI R&D Contribution Funding Stream line is administered directly by AAFC. The project approval process is based on the submission of a completed application package. Details on the necessary forms for this package are described below.

Note: the time spent on completing the application process is not eligible for project funding.

Application Package Details:

The application process consists of the following five forms, to be submitted online and by email or courier:

- Submitted Online:
 1. Application form through the ARI website (link on ARI website).
- Submitted via Email or Courier (tracking number is recommended). These forms can be downloaded as PDF documents from the ARI website and will need to be submitted to the ARI program via email or courier (tracking number is recommended):
 2. Workplan Key Activities form with budget estimates
 3. Additional Project Information form
 4. Consent for Use, Disclosure and Copyright form
 5. Designated Signature form

Once a complete application is submitted to ARI, the project will be evaluated in a comparative process with other projects also received during the application call.

It is recommended that you review all five application forms prior to beginning the application process as the forms are related to each other.

If the application package is approved, additional budget and declaration information will need to be negotiated before a Contribution Agreement can be signed.

(1) Online Application

The applicant must submit an online application at the ARI website. Please see Annex B of this Applicant Guide for a detailed description of how to complete the online application form.

(2) Workplan Key Activities Form

This form will guide the applicant to create a high-level workplan and proposed budget for the project. In particular, the workplan will need to include the following elements:

- Identify the key activities of the project
- For each activity, identify the objective(s) of the activity, and the tasks which, when completed, roll-up to meeting the objective(s) of that activity
- Provide an estimated budget for each of the activities and its related tasks
- Provide information on potential travel and capital asset acquisitions.

The form also provides standardized wording for Project Management activities and Project Reporting activities, and would form the basis of Schedule A of a Contribution Agreement.

(3) Additional Project Information Form

This form will guide the applicant to provide a written narrative on the project. This will include a summary of the project, information on project participants, as well as a summary for public release.

(4) Consent for Use, Disclosure and Copyright Form

The form is required before the project can be assessed.

(5) Designated Signature Form

The form is required before the project can be assessed.

Performance Indicators

All projects are expected to include provisions in their workplan for the collection of information towards calculation of the ARI performance indicators. This task should be included as part of the Project Reporting activity in the Workplan Key Activities form.

In particular, information would need to be collection on the following two (2) indicators:

1. Percentage of producers that are engaged in developing new risk management tools.

Example: Number of producers that participate in the project divided by number of producers that belong to that organization.

2. Number of producers that adopted new or existing private sector tools and/or other risk management practices on-farm.

Recipients will need to keep this information, or be able to generate this information, for up to three (3) years after the project has ended.

After a Project is Approved

If the applicant is notified that their project has been approved, the following two forms will need to be completed before a Contribution Agreement can be signed.

Projects may begin incurring costs as of the date of project approval. However, for any costs and/or expenditures that are incurred before a Contribution Agreement is signed by both parties, the recipient assumes the risk of not being reimbursed should those costs and/or expenditures be deemed ineligible or needed to be modified under the resulting agreement or in the event that an agreement is never executed.

(1) Declarations

These are standard questions and declarations required to comply with the terms and conditions of the ARI program. This form must be signed by the relevant authorities and returned with the ARI program.

(2) Detailed Budget

This form details the budget information of the project at an Activity level and according to standardized cost categories. It will also form the basis of Schedule B of a Contribution Agreement, and will be used as a template for future claims purposes.

Contribution Agreement

Upon approval of the project, ARI will draft a Contribution Agreement to reflect the project budget, timelines, milestones, responsible parties, detailed project activities and tasks, contracting requirements, reporting measures, deliverables and method of payment.

The main body of the Contribution Agreement is a standardized Agreement for AAFC contribution projects. The attached Schedules of the Agreement will reflect particular project information. For instance, the Workplan Key Activities document will be the basis of the Workplan Key Activities Schedule (Schedule A) and the Detailed Budget document will be the basis of the Budget Schedule (Schedule B) of the signed Contribution Agreement.

The signed Contribution Agreement is the instrument that sets out the terms and conditions pursuant to which the Minister can make a contribution to the recipient towards eligible costs. This allows ARI to provide funding to your project. Contribution payments will be made in accordance with the specific details outlined in the Contribution Agreement and in accordance with the Treasury Board Guidelines for Contributions.

Additional Information: Risk Assessment, Reporting and Claims

Reporting requirements, including frequency of reporting, will be determined by the results of an internal AAFC Risk Assessment on the project. Once a project has been approved by AAFC and prior to the negotiation of a Contribution Agreement, a recipient and the respective project are assessed using the standard risk management framework developed by AAFC.

This framework takes into account six risk categories: materiality or level of contribution, public sensitivity, project/activity complexity, recipient performance, management controls and human resources technical capacity, and financial management, which determine the overall risk level.

A letter will be sent to each recipient outlining their individualized assessment results. The results (risk level) of the assessment will determine the frequency of sampling, advances, holdbacks and provide recipient audit recommendations to the departmental strategy. AAFC's Contribution Agreement has been designed to accommodate this framework and its results.

All projects will be re-assessed according to the risk framework on an annual basis, or at an interim time at the discretion of the ARI Director.

At a minimum, the Recipient will be required to submit the following information using the online Business Risk Management Cost Sharing System (BCSS):

- Progress reports accompanied by copies of deliverables completed during the period;
- Expenditures report with each claim for payment, including cash/in-kind and consultant timesheets;
- Sources of funding report if the recipient declares on the claim for payment that the recipient has received or will receive other sources of funding for the eligible costs under the project; and,
- At the completion of the project, the recipient will also need to submit a final report (in both official languages) and a performance report (ARI based template).

Other forms and reports may be requested, as necessary.

All recipients will be trained on the use of the BCSS system once the Contribution Agreement has been signed.

Annex B: How to Complete an Online Application

How to complete an online application

Use the step-by-step instructions below to help you complete your application form.

Enter the required information in the space provided on the online form. An asterisk (*) indicates a required field.

Before submitting this application, print a copy for your records.

Applicant Information

AAFC will use the information you provide in this section to establish your organization's identity.

Organization name

Your organization's Legal Name, as it appears in legal documents such as articles of incorporation, certificate of incorporation, etc.

If operating under a different name, include the name under which your organization operates, if that name is different from its Legal Name.

See Section 1.2 of the Applicant Guide to determine if you are eligible to apply under this program.

Address

Provide the mailing address of the organization applying for ARI project funding.

City

Provide the city of the applicant organization's mailing address.

Province or Territory

Provide the province/territory of the applicant organization's mailing address.

Postal Code

Provide the postal code of the applicant organization's mailing address. Use the following format: A0A 0A0.

Telephone

Provide the telephone number at which the applicant organization can be contacted. Use the following format: xxx-xxx-xxxx.

Project Contact

This is the authorized contact person for the project. Enter the name of the person in your organization who has signing authority for the organization and will sign this application form.

Title

Enter the title of the Project Contact (e.g., President, Executive Director).

Project Contact Address Same as Above?

Indicate if the mailing address used by the Project Contact is different from the mailing address used by the applicant organization. Choose yes if the Project Contact's mailing address is different.

Contact Address

Provide the address of the Project Contact.

Contact City

Provide the city of the Project Contact's mailing address.

Contact Province

Provide the province/territory of the Project Contact's mailing address.

Contact Postal Code

Provide the postal code of the Project Contact's mailing address. Use the following format: A0A 0A0.

Contact Email Address

Provide the primary email address at which the Project Contact can be reached. Note that when the application form is submitted, an electronic confirmation will be sent to the email address provided in this field.

Contact Telephone

Provide the telephone number at which the Project Contact can be contacted. Use the following format: xxx-xxx-xxxx.

Contact Facsimile

Provide the facsimile number at which the Project Contact can receive faxes. Use the following format: xxx-xxx-xxxx.

Project Manager

This is the person in your organization whom AAFC will contact for any follow-up to this application. This person can be the same as the Project Contact, another employee of your organization, or a contractor hired by the organization.

Project Manager Telephone

Provide the telephone number of the Project Manager. Use the following format: xxx-xxx-xxxx.

Project Information

AAFC will use the information in this section to assess your proposed project.

Project title

Provide a short, descriptive project title that accurately reflects the activities and results of the project. Should your project be approved this description will be used to identify the project, along with the Project Number (assigned by the ARI program) for project tracking and reporting purposes, as well as for related ARI programming requirements. The description should:

- Start with a verb (produce, create, develop, expand, increase, support); and
- Concisely capture the essence of the project and clearly identify the result expected – the project description must be written in plain language to be easily understood.
- Examples:
 - Develop infrastructure and expertise for micro and nanotechnology commercialization in Canada.
 - Support the implementation of a wireless technology demonstration in Ag sector.

Planned start date

This is the anticipated date the project activities are expected to begin. You may include

an indication of how flexible your proposed start date is.

Planned end date

This is the anticipated date the project activities are expected to be complete. The planned end date should be no later than six months prior to the program end date (i.e., no later than September 30, 2022).

Total estimated eligible costs

Include all project costs you will incur in the implementation of the project. Only include costs incurred after the planned start date (note: if funding is approved, all costs will be validated and confirmed through the assessment and claim submission process). See Sections 1.4 and 1.5 of this Applicant Guide for eligible costs and activities. See Annex C of this Applicant Guide for costs limitations.

Total funding requested from AAFC

Total funding being requested from AAFC through the ARI R&D Stream. Total ARI R&D funding to a recipient cannot exceed \$500,000 per year and \$2.5 million over five years. See Section 1.3 of the Applicant Guide for funding information.

Project Objective and Industry Risk

Provide a rationale for the project and for AAFC's involvement in the project.

Your answer to this long-form question should:

- Explain how the project will fill a market gap or an industry need;
- Describe the industry risk and explain why addressing it is a priority. Include a detailed description of the causes of the risk at both the producer and industry level. Describe the direct impact (financial, trade, production, price) of the risk and indirect impact (reputation, innovation, social) of the risk;
- Explain how the business risk to be targeted is not adequately addressed by currently available risk management tools;
- Indicate if coverage (via activity, service, or product) is currently available for the risk. If yes, describe the coverage, including costs and limitations, and indicate how your project will complement what currently exists and any potential competitive implications. If no, indicate potential reasons why coverage is currently not available and illustrate how your project is different or unique; and,
- Describe how this project aligns with the Program Objectives listed in Section 1.1 of this Guide, and any objectives specified in the CFA.

Scope of Work and Key Deliverables

Describe how you plan to achieve the objectives and key deliverables of this project.

This long-form answer should address the following areas:

- Clearly outline the methodology of the project and indicate how the project will proceed how necessary information for project completion will be gathered;
- Clearly outline sources of data and potential costs of obtaining data. Indicate if data will need to be collected/generated through the project. For example, activities can include undertaking focus groups, technical modelling, and other forms of data collection or generation; and,
- Indicate the measurable key deliverables expected to lead to the project's outcome. For example, develop a new tool or service, create an interactive website, and develop new models. Explain how the benefits of these deliverables (e.g., product, process, service, contacts, or expertise) will be transferrable to other stakeholders beyond your organization (e.g., national or regional producer organizations, other related stakeholder groups such as producers, industry, or Canada).

Benefits to Underrepresented Groups

Select any of the following groups who will directly benefit from the intent of this project's activities and explain how the project will directly benefit each of the group(s) selected.

Indigenous farmers and land managers

Individuals who are:

- registered on a band list
- registered as an Indian under the *Indian Act* living either on or off reserve
- Métis
- Inuit

or, Indigenous communities and governments such as:

- band and tribal councils
- governments of self-governing First Nations
- local governments of Inuit communities
- Métis organizations.

Women in agriculture

Individuals who were born female or who identify as female.

Young and beginning farmers

Individuals between 18 and 39 years of age.

Official language minority populations

Canadian English-speaking communities in Quebec, and Canadian French-speaking communities in

provinces and territories other than Quebec, which in some cases includes communities that historically had a predominant minority language population.

Farmers with disabilities

The *Employment Equity Act* defines persons with disabilities as persons who have a long-term or recurring physical, mental, sensory, psychiatric or learning impairment and who:

(a) consider themselves to be disadvantaged in employment by reason of that impairment

(b) believe that an employer or potential employer is likely to consider them to be disadvantaged in employment by reason of that impairment

Includes persons whose functional limitations owing to their impairment have been accommodated in their current job or workplace.

Not Applicable

Use this selection if the objective of your project will not directly benefit any of the above-listed groups.

Current State of the Project

Indicate if the project has already started and requires further support, or if it has not yet started. Note that any costs incurred prior to entering into an agreement are not eligible for reimbursement under the terms of the agreement.

Additional Information

AAFC will use the information you provide in this section to understand more about your organization and to assess your ability to carry out this project.

Organization type

Indicate the corporate status of your organization. See Section 1.2 of this Guide to determine if you are eligible to apply under this program.

Article of Incorporation Name

Provide the name of your organization's Article of Incorporation. An Article of Incorporation name gives each registered non-profit organization its own unique identifier, and this information will be used to confirm your organization's eligibility.

Note: Eligible applicants must be legal entities capable of entering into legally binding agreements.

Organization Capacity

This long-form answer should answer the following questions:

- Provide your organization's mandate and priorities.
- Include a brief history of the organization including any significant changes in the past two years (e.g. a significant increase/decrease of staff, changes to executive leadership, including the Board of Directors, a change in mandate, etc.).
- Include the number of all full-time and part-time employees on your organization's payroll. Do not include contractors.
- Has your organization managed other projects on a similar scale to this proposed project/application?
- If applicable, briefly describe the past projects and their results.
- What resources do you have to ensure this proposed project will be successful (e.g. human resources, financial management practices, knowledge of key contacts in the industry, etc.)?

Previous AgriRisk or Other AAFC Funding

Please identify if you or your organization has previously received funding from AAFC. If yes, list the program(s) from which you have received funding. Indicate the project name, year, and funding amount.

If you had a previous project with the ARI program, provide the project name, project number, brief description of the project objectives and final results.

Project Funding from Other Sources

Please identify if you or your organization has applied for funding for this project from any other source. If no, indicate if you or your organization are expecting to apply for project funding from any other source. If yes, indicate name of funding organization or program, and the amount approved.

Sources include both public (federal/provincial/territorial/municipal governments) and private (e.g., agricultural or financial sector) organizations.

Annex C: Eligible Cost Items

Administrative Costs

Eligible Cost Items:

Administrative Costs are the organization's expenses (i.e., fundamental operational costs) not directly related to undertaking the project activities but necessary for the organization to manage activities outlined in the workplan and to administer the reporting requirements of the contribution agreement, including project management costs.

Administrative Costs means costs related to:

- Project management: management and administrative staff wages for individuals engaged in work necessary to manage activities outlined in the workplan, but not directly related to specific project activities. This can include wages for individuals who negotiate service contracts, pay invoices, manage the project budget, monitor and/or prepare the claims and any financial or progress/performance reports for the project.
 - Salaries, Mandatory Employment Related Costs, and benefits and/or contract services.
 - Administrative office supplies and expenses:
 - Basic telephone fees (including fax lines) and cell phones;
 - Hydro;
 - Materials and office supplies (e.g., pens, pencils, paper, envelopes, cleaning supplies, subscriptions);
 - Monthly internet fees;
 - Postage and courier fees;
 - Office equipment (e.g., computers, printers, photocopiers)
 - Office space (rent) and related utilities, maintenance and property taxes;
- Audit fees (if eligible and appropriate);
- Bank fees (if eligible and appropriate);
- Insurance (fire, theft, liability) (if eligible and appropriate);
- Legal fees (if eligible and appropriate);
- Administrative information technology (IT) products and services, including maintenance; and,
- Other overhead type expenditures relating to the organization's office.

Limitations/Instructions:

Administrative costs cannot exceed 10 percent of total (federal and recipient cash and in-kind) project costs.

For the ARI program, all project reporting costs are considered administrative,

but project management and translation costs are not considered administrative.

Salaries and Benefits

Eligible Cost Items:

Salaries and benefits paid to, or on behalf of, staff to execute activities that are outlined in the project workplan. These costs do not include completing financial or performance reports for the project. Salaries and benefits include Mandatory Employment Related Costs, Employment Insurance, Canada Pension Plan, Quebec Pension Plan, vacation pay, and benefits (meaning payments an employer is required to make by virtue of company policy or a collective agreement such as contributions to a group pension plan).

Limitations/Instructions:

- Salaries and benefits must be additional to existing costs;
- Contributions towards salaries and benefits should not exceed 10 percent of total project costs;
- Costs must be substantiated through supporting documentation, such as timesheets; and,
- Performance pay (e.g. bonuses) is ineligible.

Contracted Services

Eligible Cost Items:

Professional or specialized services for which a contract is entered into, such as:

- Inspection;
- Consultant/expert services;
- Installation/construction;
- Financial auditing (when required for the project);
- Environmental assessment; and,
- Research.

Limitations/Instructions:

- A contract should be in place with the contractor, including payment terms and deliverables;
- Recipients must use a fair and competitive or otherwise justifiable and generally accepted sound business process that results in competent and qualified contractors working on the project;

- Timesheets will be required to detail the work of the contractor in relation to the workplan and project deliverables. ARI can provide a template timesheet, if needed;
- Consultants will be required to submit timesheets with each claim (daily accounting).

Travel

Eligible Cost Items:

- Travel costs directly related to the project, such as:
- per diems (accommodations, meals, incidentals and local transportation);
- transportation, such as airfare;
- the recipient may claim cost for air, rail and ground transportation (to an out-of-city destination) for individual travel as follows:
 - private vehicle: kilometric rates (\$0.55/km) as well as costs for parking at the destination. Private vehicle is not to be used if more expensive than rental, rail or air;
 - rental vehicle: the cost for an intermediate vehicle (or the cost of a larger vehicle, based upon factors such as, but not limited to, safety, the needs of the traveler, and the bulk or weight of goods transported), gas, and parking at the destination;
 - air: economy airfare rate only for all travel (not Business or First Class). Bookings should be made as far in advance as possible. Seat selection and baggage costs are eligible, but not premium seat upgrades. If a higher class is purchased, proof of the flight's economy rate must be obtained for reimbursement purposes;
- alcohol, entertainment, and gifts are ineligible.

Limitations/Instructions:

- It is mandatory that all travel must be pre-approved, according to ARI program processes. A standardized template form will be provided by ARI officials;
- ARI can pay direct travel costs, but travel time (i.e., time spent in flight or travel mode) is not eligible for reimbursement;
- The per diems will contribute to covering the costs for daily accommodation, meals, local or in-city transportation (buses, taxis, vehicle rentals, etc.), ground transportation, including parking, to and from the public carrier terminal, entry documents, including passports and visas, insurance (all types), vaccinations and incidentals (personal phone calls, laundry, gratuities, currency exchange fees, etc.) for individual travel;

- Per diems can be claimed for every day on travel status as follows:
 - **Travel within Canada (CAD/day):**
 - day trip with no overnight stay: \$70
 - trip with overnight stay: \$300
 - **Travel outside Canada (CAD/day):**
 - day trip with no overnight stay: \$100
 - trip with overnight stays: \$425
- Per Diems while on Travel Status can be claimed after the travel has taken place;
- Invoices for daily travel costs will not be required; however, proof of travel is required for the claim (e.g. boarding pass, hotel invoice, trip report). Recipients must also keep all invoices and proof of payment per the terms of the Contribution Agreement.

Capital Expenditures

Eligible Cost Items:

Capital assets are tangible assets that are purchased, constructed, developed or otherwise acquired and:

- Are used in the production or supply of goods, the delivery of services or to produce program outputs;
- Are not intended for resale in the ordinary course of operations;
- May also include betterments (which are described as being expenditures relating to the alteration or modernization of an asset that appreciably prolong the period of usefulness of the item or improve its functionality); and,
- The cost of which is considered to include the purchase price plus other acquisition costs, such as installation costs, freight charges, transportation insurance costs, duties, and the non-refundable portion of provincial sales taxes, GST/HST or other value-added taxes.

For further clarification, capital assets do not include:

- Intangible assets such as copyrights, trademarks, patents, easements and rights of way;
- Immovable assets or obsolete and surplus items; and,
- Leased items where terms for payments are considered operational expenses (i.e., similar to renting).

It is mandatory that all capital goods purchases must be pre-approved and have a disposal plan, according to ARI program processes. A standard template form will be provided by ARI officials.

The pre-approval process for acquisitions will consider:

- Alignment with program and project objectives;
- The necessity and the cost of the asset as well as timing of the purchase (i.e., beginning vs. the end of the contribution agreement);
- The residual value of the asset at the end of the contribution agreement;
- The possibility of resale (i.e., presence of a market for specified equipment);
- The future need of the asset for the sector or recipient;
- The benefits of transferring the asset to another organization; and,
- Retention/disposition mechanism for the asset. Disposal refers to the sale, transfer, donation or removal from service or recycling of an asset.

Other Direct Project Costs

Eligible Cost Items:

Other costs for project-related deliverables, such as:

- Shipping;
- Conference fees/registration fees;
- Construction material costs; and,
- Translation.

Limitations/Instructions:

- Cost items not detailed previously in this document will need pre-approval by the ARI program Director.

Annex D: Glossary

Below is a short glossary of terms used in this guide:

Assessment	Thorough review and analysis of all aspects of an application prior to entering into a contribution agreement. This includes scoping of the project to meet program and departmental objectives, as well as Government of Canada guidelines for funding contributions.
Cash Contribution	<p>Cash provided by a program recipient or from other funding sources secured by a recipient for a project and used during the life of the project to pay for eligible project costs (goods and services) required to complete project activities. To be considered a Cash Contribution to the project, the funds must be used to pay for eligible project.</p> <p>Example: Time that a salaried employee of an organization spends on the ARI project that is part of their job duties (time is paid for by their organization) is considered a cash contribution.</p>
Federal Contribution	Ministers' contribution (amount of funds) that ARI has approved for the project. These funds can only be used to reimburse for eligible costs.
Complete Application Package	An application is considered fully completed when all 5 forms referred to in Annex A have been completed and sent to AAFC (via web, e-mail or courier, as the case may be).

In-Kind Contributions	<p>Contributions, such as goods and services, toward project costs that do not involve a cost incurred or paid for by the applicant. These types of contributions should be demonstrated in the application at fair market value.</p> <p>Example: Volunteer participation in a focus group or workshop activity.</p>
Project	The group of activities and actions, which are cost-shared, that occurs in the period between the ARI Project Start Date and the Project End Date.
Project End Date	The date it is anticipated that project activity will cease. This does not include the repayment period.
Project Start Date	This is the date that an agreement between a recipient and ARI comes into effect. Any costs incurred prior to this date are not eligible for reimbursement under the terms of the agreement. It can be thought of as the start date for the project as defined by the AAFC contribution agreement. ARI officials anticipate project decisions will be made approximately 100 business days after the close of the application period.