

**AGRICULTURAL
CLIMATE
SOLUTIONS**



Contribution Applicant Guide



Agriculture and
Agri-Food Canada

Agriculture et
Agroalimentaire Canada

Canada

Agricultural Climate Solutions (ACS) Contribution Applicant Guide

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Guide du demandeur

For more information reach us at www.agr.gc.ca or call us toll-free 1-877-246-4682.

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1.0 Agricultural Climate Solutions

Introduction

The Agricultural Climate Solutions (ACS) program is part of the Government of Canada's (GoC) plan to reduce greenhouse gas (GHG) emissions by forty to forty-five percent (40 to 45%) below 2005 levels by 2030 through its Strengthened Climate Plan as well as reaching net-zero emissions by 2050. By supporting the development of climate solutions that work on the farm, ACS will help increase carbon sequestration, reduce net GHG emissions of the agricultural sector, mitigate climate change, and support environmental benefits, while increasing sector resilience.

ACS will provide support through grant and contribution funding over a ten-year period, starting in 2021-2022. To meet its objectives, the program will follow the living labs innovation approach.

A living lab is an integrated approach to agricultural innovation that brings together farmers, scientists, and other partners to co-develop, test, and monitor beneficial management practices (BMPs) and technologies in a real-life context. The goal of a living lab is for farmers to work directly with scientists and others partners to conduct experiments on their farms to facilitate adoption of these BMPs and technologies in agricultural communities across Canada. More information about the living labs approach and its core principles can be found [here](#).

This guide describes the contribution funding application process. Contribution funding will be awarded to implement comprehensive project proposals, which will follow the living lab approach.

In addition to contribution funding, applicants will also be able to seek scientific and technical support from Agriculture and Agri-Food Canada (AAFC) on research and development activities if required to implement their ACS project. This means that AAFC personnel could conduct research for your project. Please note that this guide provides only a high-level overview of collaborative research and development support (Section 1.5: Funding and Cost-sharing). Additional information about this support can be found by contacting local AAFC research teams (contact information is provided in Section 1.5: Funding and Cost-sharing). Moreover, you can consult [the Guide to Departmental Collaboration with Recipients of Grants and Contributions](#) to gain a better understanding of the GoC approach to collaborative research development support and contribution funding.

1.1 Program Objective and Priorities

ACS's objective is to support recipients in undertaking projects that will accelerate the co-development, testing, adoption, dissemination, and monitoring of technologies and practices, including BMPs that sequester carbon, mitigate climate change, and support socio-economic as well as environmental benefits (including air, soil, water and biodiversity).

ACS will consider projects within the following two priority areas:

1. Carbon sequestration (e.g. cover crops, intercropping, conversion of marginal land to permanent cover, shelterbelts, inclusion of pulses in rotations, etc.); and/or
2. Greenhouse gas mitigation (e.g. nutrient management, feeding strategies, etc.).

Please note that during the 2021-22 funding cycle, all projects will need to include carbon sequestration activities. AAFC's emphasis will be on supporting proposals that include the advancement of carbon sequestration as an important part of their project activities.

In addition, proposals should indicate if activities could support the achievement of other relevant environmental benefits, such as: improving soil health and water quality, water conservation, increasing biodiversity, maximizing habitat capacity, etc.

1.2 Application Process Overview

Contribution Funding and Collaborative Research and Development Support:

The aim of the 2021 contribution funding and collaborative research and development support is to facilitate the establishment of a Canada-wide network of living labs. Eligible organizations in provinces that currently do not host a living lab established as part of the Living Laboratories Initiative - Collaborative Program (LLI-CP, 2018/2023) are welcomed to submit a comprehensive proposal. Currently, the provinces of Prince Edward Island, Quebec, Ontario, and Manitoba each host a living lab under LLI-CP. A second call for proposals under this program is planned for 2022.

It is anticipated that approved comprehensive projects will be five (5) years in duration, although shorter timelines could be considered as long as the project proposal meets eligibility requirements and contributes to meeting program objectives.

Please note that having received grant funding is not a requirement for consideration under this application process and that each application will be assessed using the same assessment criteria.

1.3 Eligible Recipients

The following organization types are eligible to apply under this program:

- Not-for-profit organizations, including producer organizations; and
- Indigenous groups.

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

Applicants should indicate in their application whether they have received support from any other organization for their proposal and what their role will be in the project implementation; for example, will they provide financial, technical or in-kind support. These organizations include:

- Industry and/or partners, such as:
 - Indigenous groups;
 - Producers;
 - Industry associations and networks and other not-for-profit organizations;
 - Businesses; and
 - Academia;
- Other federal government departments;
- Provincial/territorial departments and agencies; and
- Municipal governments.

1.4 Eligible activities

Eligible activities for contribution funding include:

- Research and development related to carbon sequestration, greenhouse gas mitigation, and environmental benefits;
- Ensuring producer engagement and participation in on-farm co-development of BMPs;
- Testing, piloting, demonstrating and supporting adoption of processes and technologies that can be more broadly applied;
- Implementing knowledge transfer plans and adoption strategies to incent and support BMP adoption by producers;
- Strategic planning to respond to environmental priorities; and
- Assessing project impacts.

All eligible activities must be carried out within Canada.

1.5 Funding and cost-sharing

Applicants may apply for:

1. Non-repayable contribution funding for activities conducted by applicants; and
2. Collaborative research and development support for activities involving AAFC personnel;

Please note that a request for collaborative research and development support must be accompanied by a request for non-repayable contribution funding.

All projects submitted under this process need to be applicant driven and, as noted, can involve collaborative research and development support if the applicant requires this support for their work. To that end, AAFC researchers can be involved in the co-development and testing of BMPs; however, they cannot be a partner in the network of participants, led by the applicant, that will co-design, co-develop, and implement ACS projects.

Please note that approval of the collaborative research and development support is dependent on the availability of resources to support the project where the proposed activities could take place. To that end, it will be important that discussions with the appropriate research management team, as identified below, start early in the development of the full proposal to ensure that the work plan and the budget under this support are enclosed within the full proposal.

British Columbia - [Director's Office RDT \(Agassiz, Summerland\)](#)

Alberta - [Director's Office RDT Alberta](#)

Saskatchewan - [Director's Office RDT Saskatchewan](#)

Nova Scotia and Newfoundland and Labrador - [Director's Office RDT \(Kentville, St-John's\)](#)

New Brunswick - [Director's Office RDT \(Charlottetown, Fredericton\)](#)

In all cases, successful applicants will be required to enter into a legal agreement(s) with AAFC, as indicated below:

Non-repayable contribution funding

AAFC will reimburse a portion of the costs for your project. Note that contribution funding is not a grant. Successful applicants enter into a Contribution Agreement (CA) with AAFC that lists a number of reporting requirements, including reporting on costs that are eligible.

Collaborative research and development support

AAFC personnel can support project implementation by conducting research related to your

project. Successful applicants choosing to request this assistance will be required to enter into a Collaborative Research and Development Agreement (CRDA) with AAFC. The CRDA clearly identifies project scope, outlines the deliverables, intellectual property regime, and describes the roles and contributions of each party. Unlike contribution funding that is disbursed to the recipient to implement approved eligible activities, this support is not paid to the recipient but provided within AAFC to support the work of AAFC personnel on the project.

Both types of funding/assistance

Projects may contain activities/sub-projects that are completed by eligible recipients using contribution funding whereas other activities/sub-projects require AAFC expertise to be completed. In this case, the successful applicant would enter into a CA for contribution funding and a CRDA for collaborative research and development support. Please note that although both types of activities/sub-projects are complementary and required for the successful implementation of a project, they need to be carried out independently of each other and administered under separate agreements.

If an applicant is requesting both types of support, please note that they will be required to clearly indicate in the work plan and budget tables, which activities and costs are associated with non-repayable contribution funding (activities carried out by the applicant) and which are associated with collaborative research and development support (activities that require AAFC expertise).

Maximum AAFC funding amounts

The maximum AAFC support (both funding types) for each project will normally not exceed \$8,000,000, with contribution funding normally not exceeding \$5,000,000. It is anticipated that projects are five (5) years in duration.

The number of projects and the amount of project funding will vary and will predominantly be based on the opportunity to sequester carbon and mitigate GHG emissions in each region, and other criteria, such as the quality of the proposal and the funding and research support availability.

Cost sharing

Eligible project costs will normally be shared as follows:

- A maximum AAFC combined contribution funding and collaborative research and development support of eighty-five percent (85%); and
- A minimum contribution of fifteen percent (15%) from the applicant.

Project participants' portion of the cost-share can be a combination of both cash and in-kind contributions. In-kind contributions will normally account only for a maximum of ten percent

(10%) of total eligible project costs

You must clearly indicate all sources of funding for the project, including your contribution and other industry and/or contributor sources of funding, including:

- Other federal government departments and agencies;
- Provincial/territorial governments and agencies;
- Municipal governments;
- Indigenous groups; and
- Other partners and stakeholders, such as:
 - Industry associations and networks and other not-for-profit organizations;
 - Businesses;
 - Producers; and
 - Academia.

Please note that total government funding (other federal departments, provincial/territorial, and municipal governments) cannot exceed eighty-five percent (85%) of total eligible costs.

In addition, where proposed projects are assessed to be equally effective in advancing the program objective, preference will be given to projects where a recipient makes a larger contribution towards the total eligible costs for the project.

What is a cash contribution?

A cash contribution is an expenditure for an eligible project cost incurred and paid for by the eligible recipient or by another project participant; the expense must be incurred during the term of the CA.

A cash contribution made by a project participant should be reported as part of the eligible recipient's sources of funding and must be contributing to a part of their project that falls under one of the program's eligible cost categories.

What is an in-kind contribution?

An in-kind contribution refers to the fair market value attributed for goods and the fair market value attributed for services that are contributed to the project and require no outlay of cash during the term of the CA by the applicant or by a project participant. In-kind contributions will not be reimbursed by AAFC. In addition, in-kind contributions must fall under one of the categories of eligible costs as set up under the program.

Eligible costs

Eligible costs may include:

- Administrative costs*
- Salaries and Benefits;
- Contracted Services;
- Travel;
- Capital Assets; and
- Other Direct Project Costs.

* Administrative costs will be calculated at a ten percent (10%) flat rate that will be cost-shared at the rate listed above. To ease administrative burden, applicants do not need to list detailed administrative costs as part of their application. Further, these costs will not be negotiated or validated when submitting a claim. You may also choose to not claim administrative costs and opt-out of the flat rate.

NOTE: You are still required to keep all documentation of administrative costs. If you are subject to an audit, you will need to supply the supporting documents at that time

All costs claimed under the program or contributed by project participants and other sources for the project and its activities, must fall within the program cost categories listed above and respect all limitations. For more information and details on cost categories, eligible/ineligible costs and further guidance, refer to Annex A: Cost Categories.

If your project is approved, AAFC may consider costs incurred during the review period, to be eligible; however, AAFC will only consider eligible costs incurred after a full application package has been deemed complete. AAFC will review these details with applicants once projects have been deemed complete.

For more information and details on cost categories, eligible/ineligible costs and other limitations, contact ACS at aafc.acs-sac.aac@agr.gc.ca or call 1-877-246-4682.

1.6 Governance under contribution funding¹

Each project proposal will need to include a governance model that will ensure timely and regular monitoring, assessment, approval of modifications, and reporting on project activities supported by contribution funding throughout project lifetime.

¹ Governance for collaborative research and development support will be included in CRDA.

1.7 Application and submission deadlines

The application process for contribution funding and research and collaborative support will close on January 15, 2022.

In your application, you will be required to provide the following information:

- Applicant and contact information;
- A demonstration of the organization's capacity to undertake the project;
- Project details, which include:
 - A summary of the project
 - A description of how will the living lab innovation approach be implemented through your project, including information on how the three Living Lab guiding principles are being met (i.e. focusing on farmers' needs, broad and diverse partnerships, testing in the real-life context)
 - A description of the agricultural landscapes or locations (e.g. watersheds, specific ecosystems, or eco-regions) and/or commodity based sector (i.e. geographic areas associated to a specific value chain such as swine, livestock, or horticulture) where the work will be conducted;
 - AAFC has developed a tool that provides an overview of areas for potential soil carbon sequestration opportunities across Canada. You may use this [tool](#) to guide you in the development of your proposal and refer to it when providing a rationale for the landscape(s) or location(s) concerning your proposed project activities. Other tools and datasets can also be used to guide your location selection.
 - A description of the project results/benefits and how they meet program's objectives and priorities, including a description of how the project is expected to generate BMP adoption to sequester carbon, mitigate greenhouse gas emissions and support socio-economic as well as environmental benefits;
- A list of project participants and contributors and their role in the project implementation;
- A description of the scientific team (federal and/or non-federal scientists);
- Identification and understanding of risks of the project and their mitigation measures;
- Work plan (i.e. deliverables and dates of completion including research methodology when describing research activities);
- An estimate of expenditures to be incurred with cash flow forecast, along with contributions from all sources of funding;
- Budget plan for collaborative research and development support (if applicable),
- Answers to a set of questions that will allow AAFC to verify compliance with *the Impact Assessment Act*;
- The applicant's declaration of the following: (i) all amounts owing to the Government of Canada, (ii) that any lobbyists engaged by the applicant for the purposes of obtaining contribution funding under the program are registered under the *Lobbying Act*, (iii) any

Conflict of Interest, and (iv) consent to AAFC to disclose business and/or personal information to third parties, AAFC, or other levels of government for the purposes of determining program eligibility under this or different programs or initiatives;
In addition to the application form, including the work plan and budget, the following documents are required as part of a complete application package:

Document Name	Description
Executive Summary	A brief summary that links proposed activities to the project objectives and priorities
Financial Statements	Audited financial statements for the past two (2) years
Letters of support	Support letters from project participants and contributors, outlining their role in project implementation, including a description of producers and their willingness to participate; <ul style="list-style-type: none"> Where applicable, Letters of Intent confirming AAFC collaborative research and development support from all involved research centers
A copy of the applicant organization's Certificate of Incorporation or Articles of Incorporation	Information establishing that the applicant is a recognized legal entity
Performance Measures Indicators (Annex B)	Indicators that will be used to monitor progress and performance and a demonstration of the organization's capacity to provide performance information to monitor progress and assess outcomes
Adoption / Knowledge Transfer Plan	Plan describing how information and knowledge about BMPs, identified and researched through the project, will be shared to a broader agricultural community resulting in increased BMP adoption.

It will be important that applicants engage Indigenous organizations/communities and under-represented groups in Canadian agriculture, including youth, women, official

languages minority communities, and persons with disabilities, in the development of proposals and project implementation to help them achieve greater participation in the sector.

Applicants are to complete, sign and submit a contribution application form by email to AAFC at aafc.acs-sac.aac@agr.gc.ca or by mail, (tracking number is recommended) to the address listed in section 7 of this guide.

It is important to ensure that all the documentation is included upon the submission of your full application. Your application must be complete in order to be fully assessed. Please review the above list before you submit your full proposal.

If the application submission is deemed incomplete, the applicant will be notified and will have ten business days to provide the missing information before the file is closed. Applicants will be able to re-submit their application before the application process closing date. **Please note that applications cannot be modified after the closing date (January 15, 2022).**

Applicants may be contacted throughout the review process to provide additional information or clarification to assist with the assessment.

2.0 Expected results

Each ACS project recipient will be required to report on performance indicators. These indicators will be included as part of the CA. Key performance indicators will be used to measure the relevance and effectiveness of programming, and to support progress monitoring and contribute to the information provided in the mandatory reporting by AAFC Program Management and Evaluation.

Program expected results and performance indicators will include, but are not limited to, the following:

- Establishment of partnerships :
 - Number of partnerships established including breakdown for under-represented groups
- Producers engagement and participation in on-farm co-development of BMPs:
 - Number of producers who participate in co-development of BMPs
- Producers adoption of carbon sequestration BMPs:
 - Number of BMPs developed or improved that increase carbon sequestration
 - Number and percentage of farms adopting carbon sequestration BMPs in the areas surrounding living labs sites
 - Land area and percentage of land area under improved management (land area that adopted carbon sequestration BMPs) in the areas surrounding living labs sites
 - Estimated incremental costs of adopting carbon sequestration BMPs by producers
- Producers adoption of GHG emission reduction BMPs
 - Number of BMPs developed or improved that reduce GHG emission

- Number and percentage of farms adopting BMPs that reduce GHG emission in the areas surrounding living labs sites
- Increase in capacity of producers to adopt BMPs:
 - Number of field demonstrations, outreach and peer-to-peer learning events organized to exchange knowledge about BMPs with producers
 - Number of information products developed to share knowledge about BMPs with producers
- Enhanced capacity building to strengthen the sector:
 - Number of highly qualified personnel (HQP) working on funded activities, including breakdown for Gender-Based Analysis Plus (GBA+)
- Increase in scientific knowledge base in the sector:
 - Number of scientific papers published in peer reviewed journals

Detailed information on performance measurement is available in Annex B.

3.0 Project assessment criteria

Assessments will consider the overall quality of the proposal and the extent to which the proposal will meet the following:

- The proposed activities, including expected results and outcomes, support program objectives and priorities:
 - Expected outcomes related to increased carbon sequestration and GHG emission mitigation and delivery of anticipated socio-economic and environmental co-benefits;
 - Location of the site or network of sites represent high opportunities for carbon sequestration and greenhouse gas mitigation;
 - Living labs innovation model is followed, including its three core principles; and
 - Project participants and contributors are engaged, including producers being involved in every stage from co-design, development and testing of the BMPs;
- The applicant possesses or has access to the qualifications (such as capability/capacity including the necessary technical, financial and managerial capacities) and track record required to complete the project;
- Quality of the work plan, including research related to the development of BMPs that are aligned with program objectives and priorities;
- Suitability of the researchers;
- Ability to provide data on outcomes;
- Quality of the knowledge transfer and adoption plan;
- The proposed activities and expenditures are eligible, reasonable and required to meet the project objectives;
 - All sources of project funding under the ACS must be identified, including non-governmental funds.

- The degree to which the project targets the following groups: Indigenous farmers and land managers; women in agriculture; young and beginning farmers; official language minority communities (OLMCs); and farmers with disabilities.

4.0 Reporting on your Project

Reporting requirements of recipients will be outlined in the contribution agreement, and include financial, progress, and performance reports. The frequency of reports will be determined based on the risk of the recipient/project (as determined by the Departmental Risk Management Framework for recipients/projects).

During the project implementation phase, the recipient should advise AAFC their intention to seek carbon-offset credits under any existing or planned carbon offset system for GHG emission reductions or increased carbon sequestration generated by their project activities. AAFC will require them to provide the project registration details and other information as determined by AAFC if they register their project in an offset program.

5.0 Other considerations

5.1 M-30 Act (Quebec organizations only)

The Province of Quebec's M-30 legislation may apply to Québec 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 (MAPAQ) at dpci@mapaq.gouv.qc.ca.

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

All Québec 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.

5.2 Intellectual property

5.2.1 Under the Contribution Agreement

Should the funding proposal be approved the following intellectual property (IP) requirements relevant to the project may be included in the contribution agreement:

All title to IP arising as a result of AAFC's provision of the funding, in whole or in part, shall

vest in the Recipient or in a third party, as may be negotiated by the Recipient.

A grant of license provision requiring that the recipient grant, or ensure that third parties grant (including ultimate recipients, if applicable) a non-exclusive, worldwide, fully paid, royalty-free, irrevocable and perpetual license to the Crown to such material, in whole or in part, in any form or medium, for internal government program administration purposes.

The Minister may also, at his or her discretion, include a provision in the contribution agreement requiring that the recipient agrees to make an offer to the department or agency to negotiate, at a later date and on reasonable separate terms, the acquisition of a license for the materials produced as a result of the contribution for purposes that do not constitute internal government program administration purposes of including without limitation research and development, publication purposes.

5.2.2 Under the Collaborative Research and Development Agreement

Should the proposal be approved for AAFC's collaborative research and development support, the following IP requirements relevant to the project may be included in the CRDA:

- 1) All background intellectual property will remain vested in the party that owned the rights in that background intellectual property.
- 2) All foreground intellectual property resulting from the project that is conceived, created, developed or reduced to practice solely by one party shall be owned by that party.
- 3) When applicable, appropriate material transfer agreements or data sharing agreements shall be used to transfer material or data between the parties.

AAFC Office of Intellectual Property and Commercialization is responsible for preparing, negotiating and for the execution of the CDRA, which will also detail e.g. the project objectives, the timelines, governance and deliverables, the budget and the resolution of all IP issues.

5.3 Official Languages

The program administration will take into account the relevant official language obligations and comply with all applicable official language requirements stipulated in Canada's *Official Languages Act* (OLA) and the related regulations, as well as federal government policies in this regard. If section 25 of the OLA is applicable, a language clause will be included in the funding agreement to require the provision of services and communications in either official language in conformity with Part IV of the OLA.

If Agriculture and Agri-Food Canada determines that the recipient's government funded activities may have an impact on official language minority communities or be susceptible of

promoting linguistic duality, the funding agreement must specify the recipient's linguistic commitments and ensure that additional expenses incurred as a result of these commitments are considered eligible for funding. Commitments relating to the development of minority communities will be determined based on the needs of the community (determined after consultations with the community, if appropriate). The expected results and performance measurement indicators will be identified and included in the Performance Information Profile.

5.4 Use and/or Disclosure

The personal information in this application 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 including other Government Departments, to:

- Assess and review the eligibility of the applicant and the project under the applicable AAFC program;
- Verify the accuracy of the information provided in the application form, as well as accompanying documents;
- Determine eligibility for other AAFC, Government of Canada or provincial programs from which the applicant might benefit; and
- Evaluate the scope, direction and effectiveness of agricultural programming and research in Canada.

The Applicant consents that the information may also be used for the purposes of:

- Contacting you should additional information be required;
- Validating your credentials;
- Facilitating payment of the contribution in the event your application is successful;
- Program administration; and
- Evaluation, reporting, and statistical analysis.

Personal information will be treated and disclosed in accordance with the *Privacy Act*. You have the right to access your personal information held by AAFC and to request changes to incorrect personal information by contacting the AAFC Access to Information and Privacy Director at aafc.atip-aiprp.aac@agr.gc.ca. You also have the right to complain to the Office of the Privacy Commissioner of Canada concerning the management of your personal information, should you have any concerns.

Should you request additional information about AAFC's privacy practices, you may refer to the following Personal Information Banks: Accounts Receivable PSU 932 and Accounts Payable PSU 931, related bank number [PRN 914](#).

6.0 After you apply

Once an application has been submitted, an acknowledgment notice will be sent to the applicant. Applicants should not consider their application as submitted to the program until they have received this acknowledgement notice; if it is not received within two (2) business days, please contact us.

In order to begin the assessment, an application must be deemed complete by AAFC. After an application has been received, AAFC verifies that all required forms and declarations have been completed and there is sufficient detail in the application for a full assessment. When the application has been deemed complete and ready for assessment, notice will be provided to the applicant.

Subsequently, a full review and assessment of the application will be carried out by AAFC and, if an applicant is successful, AAFC will provide a written decision letter that will outline the level of assistance awarded and any other conditions if applicable (e.g. reduced funding or activities). Subsequently, a contribution agreement and, if applicable, CRDA will be negotiated and signed by AAFC and the successful applicant. Unsuccessful applicants will be contacted by AAFC and will receive a notification letter explaining the reasons for rejection.

AAFC's aims 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 one (1) business day;
- Assess your application and send you an approval or a rejection notification letter within seventy (70) business days of the close of the application process; and
- Send you a payment within thirty (30) business days of receipt of a duly completed documented claim. This is applicable only if an agreement is signed.

As program demand fluctuates, these standards may be updated to provide more accurate timelines. Updates will be posted on the program website.

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 AAFC 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.

7.0 Contact us

For more information on the Agricultural Climate Solutions (ACS), please contact us by:

E-mail: aaafc.acs-sac.aac@agr.gc.ca

Telephone: 1-877-246-4682

TDD/TTY: 613-773-2600

Mail:

Agriculture and Agri-Food Canada

Agricultural Climate Solutions

Industry Development Division

Programs Branch

Tower 7, Floor 8, Room 223

1341 Baseline Rd,

Ottawa, ON K1A 0C5

End of Guide.

Annex A: Financial Information (Non-Repayable Contribution funding only)

Financial Reporting

If your organization enters into a CA with AAFC, you will be required to submit claims for eligible costs incurred and paid in accordance with the terms and conditions of your CA. Each claim will need to be supported by documents and invoices of the costs being claimed and certified by your authorized official. AAFC will make payments based on expenses deemed to be eligible project costs as per this Annex.

Advances may be made available based on AAFC's assessment of the project risk and where need is substantiated.

Should your project be approved, please ensure that you have fully understood the reporting requirements for your expenses before signing a CA with AAFC. Note that costs incurred under a CRDA will not be paid to the recipient/collaborator, but will be transferred to the appropriate centre within AAFC.

Timing limitations for costs:

If your project is approved, AAFC may consider costs incurred during the review period, to be eligible; however, only eligible costs incurred after a full application package has been deemed complete by AAFC will be considered. AAFC will review these details with applicants once projects have been deemed complete.

It is very important that you understand that if costs are incurred before a CA is signed by both parties, you assume the risk of not being reimbursed in the event a CA is not executed.

Cost categories

The following Cost Categories provide details on costs and requirements that will be necessary at the application step and the financial reporting step, should your application be approved and a CA signed.

1. Administrative Costs

Administrative costs will be calculated automatically at a flat rate of ten percent (10%) based on the total CA activity costs* in the budget. This flat rate will cover costs of project management and administrative staff salaries (managing and reporting), use of office accommodations, use of office equipment and use of office materials.

These administrative costs will be subject to the cost-sharing ratio of the project. Should your

project be approved, the ten percent (10%) flat rate will be applied to your actual eligible costs* when you submit your financial reporting against your CA expenses.

* Capital asset costs for items with a value of \$100,000 or more are excluded from the ten percent (10%) flat rate calculation.

The following list identifies costs that are included in the flat rate. These costs cannot be charged under Salaries and Benefits, Contracted Services or Other Direct Project Costs.

The costs include, but are not limited to the following:

Administrative cost items

Project management and administration salaries and benefits:

- salaries, including contracted services, for project management and administration staff who perform tasks such as pay the project related invoices, negotiate service contracts, manage the project budget, and/or prepare any financial and/or performance/progress reports for the project
- benefits for project management and administration staff, such as Employment Insurance (EI), Canada Pension Plan (CPP), Quebec Pension Plan (QPP), vacation pay, statutory holidays

Administrative costs related to:

- audit fees related to the organization's financial statements
- bank fees
- insurance (fire, theft, liability)
- membership fees
- legal fees

Administrative office supplies and expenses:

- basic telephone fees (including fax lines) and cell phones
- hydro
- materials and office supplies (such as pens, pencils, paper, envelopes, cleaning supplies, subscriptions)
- monthly internet fees
- postage and courier fees
- office equipment (like computers, printers, photocopiers)
- office administrative space (that is, rent for administrative space) and related utilities, maintenance
- use of administrative information technology (IT) products and services, including maintenance
- other overhead type expenditures relating to the organization's office

Note: Administrative costs are not applicable to CRDA (Vote 1) activities.

2. Cost Categories

Other costs beyond Administrative costs must fall under one of these categories:

- Salaries and Benefits
- Contracted Services
- Travel
- Capital Assets
- Other Direct Project Costs

Salaries and Benefits	
Eligible cost items	Limitations/instructions
<p>Salaries and benefits & scientific coordination directly related to completing the activities in the Work Plan, other than those covered under Administrative costs. These costs do not include completing financial or performance reports for the project.</p> <p>Timesheets:</p> <ul style="list-style-type: none"> • <u>will not</u> be required for an employee who is one hundred percent (100%) devoted to the Project • <u>will not</u> be required for people under contract • <u>are</u> required for an employee of the recipient organization who share their time between Project specific work and organizational work 	<ul style="list-style-type: none"> • benefits will be considered up to twenty-five percent (25%), and include the employer's portion of CPP, QPP; EI; group insurance, vacation pay and pension benefits, statutory holidays, etc. • losses to investments or pensions due to stock fluctuations or other unforeseen events are not eligible • performance pay (such as a bonuses), severance pay and retiree settlements are not eligible • discretionary employee benefits (for example, parking at employer's location, gym membership fees, daycare costs, etc.) are not eligible • relocation costs for employees hired for the Project are not eligible • for Provincial, Territorial and Municipal government employees, only incremental salaries/benefits are eligible (full-time employee salaries/benefits are not eligible); other restrictions may apply

Contracted Services	
Eligible cost items	Limitations/instructions
<p>Professional or specialized services for which a contract is entered into, such as:</p> <ul style="list-style-type: none"> • consultant/expert services • science co-ordination services 	<ul style="list-style-type: none"> • all services, including research work, should be established under a contract • recipients must use a fair and competitive or otherwise justifiable and generally

<p>Overhead:</p> <ul style="list-style-type: none"> • overhead is calculated as an additional fifteen percent (15%) cost on goods/services (e.g., \$10,000 cost of services x 0.15 = \$1,500; for a total invoice, including overhead, of \$11,500) • overhead costs are indirect expenditures incurred by a university or service provider, which are required for the activities, but are not specifically identified as project activity costs; these costs relate to the use of the organization's resources, which may include, but are not limited to: <ul style="list-style-type: none"> • information technology support • internet, telephone • use of existing workstations, including furnishings and equipment (for example, computers or scanners) • normal office software (not including software specifically required to conduct project activities) • memberships and subscriptions • staff recruitment and training • routine laboratory and field equipment maintenance (such as oil changes) • building occupancy and operating costs (that is, the use of the workspace) • facilities maintenance • administrative support (such as accounting, payroll administration, meetings) 	<p>accepted sound business process that results in competent and qualified contractors working on project activities</p> <ul style="list-style-type: none"> • all such contracts should include a description of the work, due date(s) for deliverables, detailed budgets, and payment terms • overhead cannot exceed fifteen percent (15%) of the total eligible costs invoiced by a university or service provider • contracts for project management and administration services may be used, however, these costs will be considered Administrative costs (in other words, they are included in the ten percent (10%) flat rate and are not eligible for additional reimbursement)
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Travel (based on the AAFC Directive – subject to periodic revisions)	
Eligible cost items	Limitations/instructions
<p>Travel costs directly related to the project, such as:</p> <ul style="list-style-type: none"> • meals, incidentals and accommodations on a per-diem bases • transportation (air or ground) <p>Travel costs are eligible for:</p> <ul style="list-style-type: none"> • staff traveling for project related activities • visitors to Canada for the purpose of project related activities • workers travelling to project sites or meetings <p>Note: transportation costs incurred for project activities are eligible, even if the individual is not on travel status.</p>	<ul style="list-style-type: none"> • only economy airfare for travel is eligible; bookings should be made as far in advance as possible; seat selection and baggage costs are eligible (upgrades are not eligible) • if a higher class is purchased, proof of the flight's economy rate must be obtained for reimbursement purposes • National Joint Council Travel Directive should be followed when organizing your travel arrangements • if an organization has a travel policy in place, it can be followed as long as reimbursement of expenditures, per-diem and incidentals is not higher than those prescribed in the National Joint Council Travel Directive • travel insurance (such as medical, accident, cancellation) is not eligible • non-essential options for rental vehicles (such as GPS and roadside assistance) are not eligible • travel and accommodation expenditures for federal government employees are not eligible

Capital Assets (based on the AAFC Directive – subject to periodic revisions)	
Eligible cost items	Limitations/instructions
<p>Capital assets are tangible assets that are purchased, constructed, developed or otherwise acquired and:</p> <ul style="list-style-type: none"> • are required for the execution of the project • have a useful life extending beyond one year and are intended to be used on a continuous basis • are not intended for resale during the life of the project • require AAFC pre-approval for capital asset purchases over \$10,000 	<ul style="list-style-type: none"> • the purchase of land or buildings is not eligible • the purchase or lease of private/personal vehicles is not eligible • assets and capital items not specifically required for the execution of the Project are not eligible • each capital asset estimated at \$10,000 or more to be included in the Project budget must be accompanied by a pre-approval form at the time of application • pre-approval by AAFC applies regardless

<ul style="list-style-type: none"> 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 <p>Examples specific to this program:</p> <ul style="list-style-type: none"> equipment computers and specialized software prototypes 	<p>of how the purchase is cost-shared between AAFC and other sources</p> <p>Refer to the Capital Assets section below for more information</p>
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Other Direct Project Costs	
Eligible cost items	Limitations/instructions
<p>Other costs for project-related deliverables, such as:</p> <ul style="list-style-type: none"> shipping translation conference or registration fees knowledge transfer associated costs stipends training to increase knowledge / capacity required to implement a living lab 	<ul style="list-style-type: none"> any Canadian government related fees such as visas, patents, etc. are not eligible hospitality costs are not eligible for reimbursement by AAFC under this program

Other ineligible costs include, but are not limited to:

- normal costs of establishing a commercial operation
- costs for activities that are deemed to be part of normal business practice for any recipient
- costs for activities intended to directly influence/lobby governments
- costs related to marketing activities and business promotion
- refundable portion of the GST/HST, value added taxes, or other items for which a refund or rebate is received
- depreciation charges for capital assets
- other costs not specifically required for the project

Additional information: Capital Assets

Requirements

- All capital assets required for a project must be eligible under program criteria.

Purchase of Capital Assets over \$10,000

1. All capital asset purchases over \$10,000 must be pre-approved by the Program using an AAFC form intended for that purpose.
2. The pre-approval process for acquisitions over \$10,000 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 CA)
 - the residual value of the asset at the end of the CA
 - 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
 - the retention/disposition mechanism for the asset
3. Capital asset pre-approvals must include a rationale for the purchase and proposed retention or disposal.
4. This pre-approval requirement applies to any capital asset in a project's budget, including those purchased by the recipient, a service provider (e.g., a university) working on the project, or a partner listed as part of a recipient's contribution.
5. Pre-approval is required for any capital asset purchase made by a recipient, which is intended to enhance capacity in another agriculture, agri-food and agri-based sector (for example, by modifying or retrofitting a piece of equipment that would benefit another industry). Pre-approval for such purchases will consider the purchase cost, the residual value, retrofitting costs and the usefulness of the asset at the end of the CA term.
6. Where several similar or related assets are purchased within a project, the cumulative cost of these assets should be considered as one and require pre-approval, if over \$10,000.
7. Materials purchased with the intention of building a capital asset (such as a prototype) must be pre-approved if the total value of materials exceeds \$10,000.
8. AAFC reserves the right to address capital asset requests on a case by case basis, when

required.

Purchase of Capital Assets over \$100,000

9. Capital assets costing more than \$100,000 that are required to achieve project outcomes should normally be leased, where possible and appropriate. Proposed leasing costs should be included in the application budget and must be pre-approved by the Program before they will be deemed eligible.
10. Capital asset purchases over \$100,000 will normally be considered when the applicant includes the proposed acquisitions in the application budget. Applicants are required to submit in their application a rationale for the proposed purchases and outline future plans for retention or disposal. These purchases, including proposed retention or disposal, will be reviewed by the Program during assessment and will require AAFC approval.
11. Capital asset purchases over \$100,000 that are not approved at the time of project approval may be considered at a later date, in exceptional cases, and will require approval by AAFC.

Annex B: Performance Measurements

This guide is intended to provide information about the performance measurement and monitoring approach for the program. Additional indicators or information may be required to assess the success of the program. It is recommended that, in your application, you reflect how the intended results of your project will be in alignment with the performance indicators below.

Requirements for the performance indicators in the work plan

- Successful applicants will need to finalize the applicable performance indicators as part of the work plan for the Contribution Agreement.
- For each applicable performance indicator, an estimated target and a brief description will need to be provided. The target is set out for the duration of the project.
- The list of performance indicators is standard across all projects, but not all the performance indicators are applicable to each project.
- A standard work plan template will be provided.

Requirements for the performance reporting

- Successful applicants will need to submit an Annual Performance Report (APR) and Final Performance Report (FPR), along with other sections such as success stories, issues and lessons learned to provide performance results and project updates.
- For each applicable performance indicator, you will need to provide a result that is achieved during the reporting period and a brief description including date, title etc.
- A standard APR and FPR template will be provided.

Performance indicators	Indicate “Yes” to any performance indicators that are applicable to your project; otherwise indicate “N/A”
Number of partnerships established including breakdown for under-represented groups	

<p>Definition:</p> <ul style="list-style-type: none"> Partnerships describe a collaborative arrangement between a recipient and producers, land managers, scientists, and others to co-design, co-develop, implement and evaluate activities. Information captured under the under-represented groups include: Indigenous farmers and land managers; women in agriculture; young and beginning farmers; official language minority communities (OLMCs); and farmers with disabilities. 	
<p>Number of formal co-development activities organized by the project</p> <p>Definition:</p> <p>This includes formal activities or events that are organized by the project to focus on the co-development of BMPs. This indicator does not include informal conversations between participants about improving the BMPs, although those conversations are important and should feed into the formal co-development activities.</p> <p>Co-development is defined as the involvement of agricultural producers in the development of Beneficial Management Practices (BMPs). These relationships are applicant-driven and could involve researchers from academia, not-for profit groups, or others. While co-development activities could involve AAFC researchers, AAFC researchers work as part of the project would not be included here. The aim of this indicator is to identify partnerships formed with external participants.</p>	
<p>Number of producers who participate in co-development of BMPs</p> <p>Definition:</p> <p>This includes producers who attend the events organized by the project to co-develop BMPs with scientists, land managers and others. Numbers of producers under under-represented groups will be collected and reported.</p>	
<p>Number of changes made to BMPs or actions/decisions taken to improve uptake based on co-development with producers</p> <p>Definition:</p> <p>This indicator is to measure the innovation and impact through co-development with producers, land managers, scientists, and others to refine BMPs, making them a better fit to producers' needs and more likely to be adopted by other producers.</p>	

<p>Number of BMPs developed or improved that increase carbon sequestration</p> <p>Definition: A beneficial management practice (BMP) is any management practice that reduces or eliminates an environmental risk. This indicator is to measure the BMPs developed or improved under the project that increase carbon sequestration and that are co-developed through producers' engagement and participation. These BMPs include new and/or existing BMPs that are improved through knowledge or socio-economic-environmental activities based on co-development with producers.</p>	
<p>Number of farms and land areas that are reached through field demonstrations and peer-to-peer learning events in the areas surrounding living labs sites</p> <p>Definition: This indicator is to measure the farms and land areas that are reached through field demonstrations and peer-to-peer learning events organized under the project in the areas surrounding living labs sites.</p>	
<p>Number and percentage of farms adopting each carbon sequestration BMP in the areas surrounding living labs sites</p> <p>Definition: This indicator demonstrates the extent to which carbon sequestration BMPs are adopted by producers in the areas surrounding living labs sites as a result of this program. Number of farms that are newly adopting carbon sequestration BMPs are collected.</p> <p>The percentage of farms adopting carbon sequestration BMPs is calculated by dividing the number of farms that are newly adopting carbon sequestration BMPs by the number of farms that are reached through field demonstrations and peer-to-peer learning events in the areas surrounding living labs sites.</p>	
<p>Land area and percentage of land area under improved management (land area that adopted each carbon sequestration BMP) in the areas surrounding living labs sites</p> <p>Definition: This indicator demonstrates the extent to which carbon sequestration BMPs are adopted by producers in the areas surrounding living labs sites as a</p>	

<p>result of this program. Land area under improved management is calculated by collecting land area that are newly adopting each carbon-sequestration BMP by producers in the areas surrounding living labs sites.</p> <p>The percentage of land areas adopting each carbon sequestration BMP is calculated by dividing the land areas that are newly adopting each carbon sequestration BMP by the number of land areas that are reached through field demonstrations and peer-to-peer learning events in the areas surrounding living labs sites.</p>	
<p>Estimated incremental costs of adopting each carbon sequestration BMP by producers</p> <p>Definition: Estimated incremental costs of adopting carbon sequestration BMPs that are developed or improved under the project represent a key factor that may have an impact on producers' adoption of BMPs. So it is useful to collect information on the incremental costs and analyze this data to better understand any challenges or issues related to BMPs adoption. Example of incremental costs may include, but are not limited to, incremental equipment costs, incremental feed costs and incremental labour costs.</p>	
<p>Estimated carbon sequestration potential of each developed or improved BMP</p> <p>Definition: This indicator is to measure the estimated amount of carbon that are sequestered if the developed or improved BMP is adopted by producers. The information collected will be useful to better understand the potential impact of these BMPs.</p>	
<p>Estimated tons of carbon-sequestered as a result of each BMP demonstrated and adopted by producers</p> <p>Definition: This indicator is to measure estimated amount of carbon that are sequestered when a BMP is demonstrated and adopted by producers. This information is used to validate the estimated carbon sequestration potential of each BMP.</p>	
<p>Number of BMPs developed or improved that reduce GHG emission</p>	

<p>Definition: This indicator is to measure the BMPs developed or improved by the project that reduce GHG emission and that are co-developed through producers' engagement and participation. These BMPs include new and/or existing BMPs that are improved through knowledge or socio-economic-environmental activities based on co-development with producers.</p>	
<p>Number and percentage of farms adopting BMPs that reduce GHG emission in the areas surrounding living labs sites</p> <p>Definition: This indicator demonstrates the extent to which BMPs that reduce GHG emission are adopted by producers in the areas surrounding living labs sites as a result of the project. Number of farms that are newly adopting BMPs that reduce GHG emission are collected.</p> <p>The percentage of farms adopting BMPs that reduce GHG emission is calculated by dividing the number of farms that are newly adopting BMPs that reduce GHG emission by the number of farms that are reached through field demonstrations and peer-to-peer learning events in the areas surrounding living labs sites.</p>	
<p>Estimated GHG reduction potential of each developed or improved BMP</p> <p>Definition: This indicator is to measure the estimated amount of GHG emission that are reduced if the developed or improved BMP is adopted by producers. The information collected will be useful to better understand the potential impact of these BMPs.</p>	
<p>Estimated tons of GHG emission reduction as a result of each BMP demonstrated and adopted by producers</p> <p>Definition: This indicator is to measure estimated amount of GHG emission that are reduced when a BMP is demonstrated and adopted by producers. This information is used to validate the estimated GHG reduction potential of each BMP.</p>	
<p>Number of BMPs developed or improved that support co-environmental benefits</p>	

<p>Definition: This indicator is to measure the BMPs developed or improved under the project that increase co-environmental benefits (including air, soil, water, biodiversity) and that are co-developed through producers' engagement and participation. These BMPs include new and/or existing BMPs that are improved through knowledge or socio-economic-environmental activities based on co-development with producers. For each BMP, it is important to indicate the agri-environmental issue that is being improved through co-development.</p>	
<p>Number and percentage of farms that adopt BMPs in support of co-environmental benefits in the areas surrounding living labs sites</p> <p>Definition: This indicator demonstrates the extent to which BMPs with co-environmental benefits are adopted by producers in the areas surrounding living labs sites as a result of the project. Number of farms that are newly adopting BMPs with co-environmental benefits are collected.</p> <p>The percentage of farms that adopt BMPs with co-environmental benefits is calculated by dividing the number of farms that are newly adopting BMPs with co-environmental benefits by the number of farms that are reached through field demonstrations and peer-to-peer learning events in the areas surrounding living labs sites.</p>	
<p>Number of field demonstrations, outreach and peer-to-peer learning events organized to exchange knowledge on BMPs with producers</p> <p>Definition: These events aim at increasing uptake of producers' adoption of BMPs that are developed or improved under the project through field demonstrations, outreach and peer-to-peer learning events. Examples could include field days, field tours, seminars, workshops or webinars that are designed to exchange knowledge about BMPs and related issues with producers.</p>	
<p>Number of producers who participated in field demonstrations, outreach and peer-to-peer learning events</p> <p>Definition: This includes producers who attend field demonstrations, outreach and peer-to-peer learning events listed above that aim at exchanging knowledge about BMPs and related issues with producers.</p>	

<p>Number of information products developed to share knowledge about BMPs with producers</p> <p>Definition: These are knowledge materials developed by the project that are used to share knowledge about BMPs and related issues with producers. It is not limited to sharing the results of activities but can also include knowledge about the BMPs or related issues. Examples of information product formats could include brochures, factsheets, flyers, guides, news articles, interviews, articles in trade magazines, technical bulletins, training materials, videos, and social media.</p>	
<p>Number of highly qualified personnel (HQP) working on funded activities, including breakdown for Gender-Based Analysis Plus (GBA+)</p> <p>Definition: This includes individuals who are registered in Master or PhD or Post-doc fellow programs and are working on activities that receive funding through this program. They are only counted in their first year working on the project.</p>	
<p>Number of scientific papers published in peer reviewed journals</p> <p>Definition: This includes scientific papers that are published in peer reviewed journals as a result of the project. Papers that are not yet published, abstracts and papers in conference proceedings are not included.</p>	