Introduction

The purpose of this document is to:

1) Provide information on the eligibility criteria for funding from Agriculture and Agri-Food Canada (AAFC) under the Agricultural Clean Technology Program (Program).

2) Provide directions and explanations to assist with completing the Project Application Form.

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1. **Clean Technology**

The Government of Canada is committed to working with provincial and territorial governments and industry through the [Pan-Canadian Framework on Clean Growth and Climate Change](#), to support clean growth and innovation as Canada transitions to a low-carbon economy.

Budget 2017 committed $200 million over four years (2017-18 to 2020-21) to support research, development and demonstration, and adoption of clean technologies in Canada’s natural resources sectors, which includes: energy, mining, forestry, fisheries/aquaculture and agriculture. This included $25 million in funding to AAFC, to develop a clean technology program for the agriculture, agri-food and agri-based products sector in Canada (Sector).

Clean technologies are defined as any process, product, or service that reduces environmental impacts through:

- Environmental protection activities that prevent, reduce or eliminate pollution or any other degradation of the environment;
- Resource management activities that result in the more efficient use of natural resources, thus safeguarding against their depletion; or,
- The use of goods that have been adapted to be significantly less energy or resource intensive than the industry standard.

AAFC has developed and is responsible for administering the federal Agricultural Clean Technology Program (Program). The Program responds to the Government of Canada’s priority for a clean environment and sustainable economy by enabling changes required within the Sector to help achieve these goals.

2. **About the Agricultural Clean Technology Program**

**Program Objective**

The Program provides non-repayable, federal contributions to implement and deliver clean technology projects for the Sector that support activities across the innovation continuum. The innovation continuum ranges from research and development, to technology and knowledge transfer, to commercialization and adoption. These activities and the clean technologies must intend to generate positive impacts on land, water and air, while reducing the intensity of greenhouse gas (GHG) emissions in agricultural production.
Innovation is defined as one of the following:

- An invention, new technology, new process or new service that is not currently available in the marketplace;
- Significant modifications to the application of existing technologies, processes or services that are applied in a setting or condition for which current applications are not possible or feasible;
- An improvement to an existing technology, process or service that represents a significant (generally patentable) improvement in functionality, cost or performance of goods and services that are considered state of the art or new to the industry or the Sector.

Below is a visual chart outlining the innovation continuum:

<table>
<thead>
<tr>
<th>Innovation Continuum</th>
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<tbody>
<tr>
<td>Research (knowledge creation)</td>
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<tr>
<td>Development (pre-commercialization/pre-adoption/technology transfer phase)</td>
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<tr>
<td>Technology transfer (commercialization/adoption phase)</td>
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<tr>
<td>Basic research</td>
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### 2.1 Program Priorities

The Program is intended to create an enabling environment for the development and adoption of clean technologies. In order to be eligible for funding, Applicants must clearly demonstrate how proposed projects will support the aim of eventual adoption of clean technologies in the Sector, in either the short or long term.

The Program prioritizes projects that invest in or promote two key areas of clean technology for the Sector: precision agriculture and agri-based bioproducts.

- **Precision agriculture** is an approach that uses a wide range of technologies to gather and process data for the purpose of guiding targeted actions that improve the sustainability, efficiency and productivity of agricultural operations.

- **Agri-based bioproducts** are renewable products, other than food and feed, which are derived from agricultural resources or wastes, such as manure and crop residues.
Examples of clean technology projects that may be eligible for funding through the Program include, but are not limited to:

- Improving land and nutrient management and feed efficiencies through the development, adaptation and adoption of precision tools, technologies and practices in agricultural operations for the purpose of increasing energy efficiency, reducing GHG emissions, fostering innovation and/or maintaining competitiveness.
- Producing advanced materials and products that support regionally-specific bio-product value chains to create alternatives to fossil fuel-based technologies, materials, fuels and chemicals, and improve feedstock supply and quality to support the transformation of bio-based materials.
- Transforming waste streams and process outputs into lower carbon, bio-based products, energy and chemicals through the conversion of agricultural crops and waste into bio-gas for heat and power, and/or reduce on-farm emissions and enhance waste utilization.

2.2 Eligible Applicants

Eligible Applicants are:

- **Provincial and Territorial Governments**;
- **For-Profit Organizations**, incorporated in Canada, they may include:
  - Businesses and/or corporations;
  - Co-operatives;
  - Indigenous groups.
- **Not-for-Profit Organizations**, incorporated in Canada, which operate solely for social welfare, civic improvement, pleasure or recreation, any other purpose except profit. They may include:
  - Academic institutions;
  - Co-operatives;
  - Indigenous groups.

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

2.3 Eligible and Ineligible Activities

Eligible activities pertaining to clean technology projects that invest in and/or promote precision agriculture and agri-based bioproducts, which benefit the Sector, are of the following nature and type:

- Basic and applied research, including public-private collaboration;
- Developing clean technologies;
• Piloting and evaluating clean technologies;
• Demonstration and knowledge and technology translation/transfer activities;
• Commercializing clean technologies;
• Accelerating adoption of on-farm clean technologies;
• Sectoral awareness and communication-building activities that promote clean technologies.

Examples of the above-mentioned activities may include, but are not limited to:

• Developing and improving harvesting/production systems that enhance the quality of crops harvested by farmers for use in the production of bioproducts;
• Developing technologies in support of bioproducts;
• Developing and integrating bioproduct value chains;
• Developing, commercializing and/or demonstrating precision agriculture technologies, such as variable rate equipment, sensors, environmentally beneficial precision agriculture applications of aerial drones, and farm management software;
• Assistance to help individual producers, groups and organizations promote or undertake education/training, audit/assessments and planning, that support the adoption of new or innovative clean technologies by the Sector;
• Incentives to adopt new or innovative clean technologies in support of bioproducts and precision agriculture;
• Implementing activities to help small and medium-sized enterprises (SME) demonstrate commercial potential of technologies required to produce bioproducts that are themselves used in the manufacture of end-product materials;
• Commercializing technologies developed for SMEs;
• Commercializing technologies that can be used in the production of biofuels or biochemicals.

Ineligible activities include, but may not be limited to:

• Activities that do not provide a direct benefit to the Sector;
• Activities related to aquaponic food production, and to aquaculture, seaweed, fish and seafood production and processing;
• Development and enforcement of regulations;
• Automated applications that do not result in GHG efficiencies or other direct environmental benefits (e.g., automated steering systems, robotic milking systems);
• Renovations, site improvements, leasehold improvements, land lease or purchase, building purchase or construction.
2.4 Funding and Cost-Sharing

Total funding available through the Program is $25 million over three years (2018-19 to 2020-21). Activities must be completed by March 31, 2021 to be considered for funding.

2.4.1 Maximum Funding Amounts

Applicants may apply for Program funding for up to 50% of total eligible projects costs, to a maximum of $5 million per project.

Once a project is approved under the Program, funding will be administered through a contribution agreement entered into between AAFC and the Applicant.

2.4.2 Cost-Sharing

Eligible project costs will normally be shared as follows:

- A maximum contribution of 50% from the Program; and
- A minimum contribution of 50% from the Applicant.

Projects benefiting the Territories, Northern communities, Indigenous peoples or other underrepresented groups, may receive up to 75% in Program funding toward total eligible project costs. For such projects, costs may be shared as follows:

- A maximum contribution of 75% from the Program; and
- A minimum contribution of 25% from the Applicant.

Where the Applicant is a For-Profit or Not-for-Profit Organization, a 10% cash contribution is required from the provincial or territorial government supporting the project.

The Applicant must clearly indicate all sources of funding for the project, including their contribution and other sources of funding, such as:

- Federal government departments and agencies\(^1\);
- Provincial/territorial governments\(^1\);
- Municipal governments\(^1\);
- Indigenous communities;
- Non-government partners such as:
  - Industry associations and networks;
  - Businesses;

\(^1\) The Applicant is responsible for ensuring that total government funding from other sources for eligible projects costs does not exceed 100\%.
o Academic and research institutions, such as universities and colleges.

The Applicant must demonstrate that the funding will be sufficient to support overall project costs. Applicants must provide confirmation that all sources of funding for the project have been secured.

In-kind contributions and cash from future operations will not be considered in the calculation of project costs as they are not recognized as eligible under the Program. In-kind means the fair market value attributed for goods and the fair value attributed for services which are contributed to the project and require no outlay of cash, by the Applicant or a contributor, during the term of the contribution agreement.

2.5 Eligible Costs and Limitations

To be eligible for reimbursement through the Program, costs must be incurred and paid within the period specified in the contribution agreement, but not before April 1, 2018, or after March 31, 2021.

Costs incurred prior to the effective date and after the project completion date established by the Program will not be eligible for funding. Any costs incurred prior to the signing of a contribution agreement will be incurred solely at the Applicant’s risk without any obligation of payment by the Program.

Eligible costs under the Program are the incremental, relevant, reasonable and essential expenses required to carry out the eligible activities to which they relate as specifically set out in the contribution agreement.

Eligible costs must be presented by cost categories in the Budget submitted for the project.

See the Program’s How to Apply document for more details on eligible costs, cost categories and limitations.

3. Application Process and Timeline

Applications will be accepted on an on-going basis as of April 1, 2018, or until funding has been fully committed or otherwise announced by the Program. The Program ends March 31, 2021.

Applicants must submit a complete application package to be considered for funding through the Program. The application package consists of the following AAFC forms:

- Project Application Form
- Annex A – Work Plan
• Annex B – Budget
• Additional supporting documentation as requested by AAFC to fully assess the project.

For-Profit and Not-for-Profit Organizations that apply to the Program must also include a letter of support from the provincial or territorial government of their primary project location.

For information on how to complete these forms, please consult the Program’s How to Apply document.

To receive the application package, contact AAFC by email at: aafc.actprogram-programmetpa.aac@canada.ca.

4. Expected Results

The expected results of the Program are:

• Increased investment in clean technology in agriculture;
• Increased development, demonstration, commercialization and adoption of clean technologies in agriculture; and
• Improved environmental performance of the Sector in the long term.

5. Assessment Criteria

Applications to the Program will be assessed on the following criteria. AAFC officials will consider whether the project:

• Supports the Program’s objective and priorities;
• Initiates change to reduce GHG emissions through the development and adoption of clean technologies;
• Reduces environmental impacts and lowers GHG emissions;
• Benefits Canadian agricultural producers and other Sector stakeholders.

Other considerations include:

• Contributions from industry stakeholders toward eligible project costs;
• Previous funding received through the Program;
• The state of adoption by the Sector of the clean technology to which the project pertains;
• Experimentation or testing of new or innovative clean technologies for the Sector to learn what works and what does not work;
• Benefits to underrepresented groups (e.g., Indigenous Peoples, women and youth);
• Benefits to Territories or Northern communities.

Technical and financial aspects of projects will also be assessed by AAFC subject matter experts.

Additional Information

AAFC may consult the Applicant to obtain clarification on details of the project and/or for additional information, where deemed necessary for the assessment. AAFC may modify the service standard to reflect any delays in the Applicant providing supplementary information. Information provided in the completed application will be used to assess the project, along with any additional information that might be requested by AAFC. Once the assessment process is complete, the Applicant will be sent an approval or rejection notification letter. If the project is approved for funding, the letter will specify the level of funding awarded and outline any other conditions that may apply. For approved projects, AAFC officials will work with the Applicant to complete a contribution agreement.

Applications under this Program will be assessed on a first-come, first-serve basis, on merit against the assessment criteria. The Program reserves the discretion to give precedence to projects that fall within the cited priority areas of the Program.

6. Reporting on your Project

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

Progress Reports

You will be required to provide progress reports describing the activities completed and progress made towards deliverables, as described in the Work Plan.

Performance Reports

You will also be required to provide performance reports annually and at the end of the project. The reports will track progress against mutually agreed to performance measures outlined in the contribution agreement.

Financial Reports

Financial reporting is required with each request for reimbursement of expenditures, in addition to year-end accounting and other financial reports.

Other reports may be required at AAFC’s discretion.
Upon completion of approved projects, recipients will be required to provide a final financial report and a final performance report to AAFC.

Reporting requirements will be further outlined in the contribution agreement.

7. Considerations

7.1 M-30 Act (Quebec organizations 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 (MAPAQ) 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.

7.2 Intellectual Property

The contribution agreement will contain an intellectual property clause which will confirm that all title to intellectual property created or developed by the recipient of contribution funding, or for the recipient of contribution funding by third parties, will vest in the recipient or in a third party, as may be negotiated by the recipient.

However, the Minister may, at his or her discretion, include provisions in the contribution agreement requiring the recipient to grant, or ensure that third parties grant, a non-exclusive, world-wide and royalty-free license to the federal Crown to enable it to reproduce or publish, in any form, on any deliverables, reports and supporting documents or other documentation provided to the Minister for the project or for the administration of the agreement, as well as to produce, reproduce, perform or publish, in any form, any translation of such documentation within AAFC, within the Government of Canada or to other governments, in whole or in part, for program administration purposes or for public good purposes.

Where the Minister deems that the purpose of the contribution funding under the Program is to support the development and use, for the public good, of standards or systems, the Minister may, at his or her discretion, include provisions in the contribution agreement requiring that the recipient publishes, or if applicable, that the recipient
ensures that third parties (including ultimate recipients, 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 grants, or ensures that the third parties holding title to the intellectual property grant, the federal Crown a royalty-free, non-exclusive and world-wide license to publish for non-commercial purposes.

Where the Minister considers that the results of the recipient's research should be published, the Minister may, at his or her discretion, include provisions in the contribution agreement requiring that the recipient grants, or ensures that third-parties (including ultimate recipients, if applicable) holding title to the intellectual property grant the federal Crown a non-exclusive, royalty-free and world-wide license to use the intellectual property for scientific publication purposes.

7.3 Official Languages

Language of Service

You are encouraged to communicate with AAFC in the official language of your choice. AAFC reviews and assesses applications and project deliverables in both official languages.

Official Languages Considerations

AAFC is committed to enhancing the vitality of the official language minority communities (OLMCs), supporting and assisting their development, and promoting the full recognition and use of both English and French in Canadian society.

When it is determined that a project under this Program involve activities related to the development and transfer of knowledge and may have an impact on OLMCs or promote the use of English and French, AAFC will include appropriate linguistic commitments in the contribution agreement with your organization and ensure that additional expenses incurred as a result of these commitments are considered eligible for funding.

If funded, your organization may be required to publicly acknowledge AAFC's support for the project. In these cases, AAFC may request that such acknowledgments include text in both official languages.

8. After you Apply

AAFC's service standard goals are to:

- Respond to general inquiries made to our telephone number or email address before the end of the next business day;
- Acknowledge receipt of your application within one business day;
• Assess your application and send you an approval or a rejection notification letter within 100 business days of receiving a complete application package;
• Send a payment within 30 business days of receipt of a duly completed and documented claim. This is applicable only if an agreement is signed.

An application should not be considered submitted until a notice of acknowledgement is received from AAFC.

Service standards for assessments begin only once the application is deemed to be complete. AAFC will advise the Applicant if an application is incomplete and identify what is required for the application to be deemed complete. The Applicant may then submit additional information or re-submit the application.

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 Applicant Guide will ultimately receive funding.

9. Contact Us

For more information on the Program, or to request an application package, please contact us by:

• Email: aafc.act.program-programme.tpa.aac@agr.gc.ca; or
• Telephone: 1-877-246-4682