



**Canadian Agricultural Adaptation Program (CAAP)
Program Overview & Application Guide**

The purpose of this guide is to assist you in completing an application for funding under the Canadian Agricultural Adaptation Program (CAAP) through Agri-Futures Nova Scotia. The application form can be obtained from our website at www.agri-futures.ns.ca or by contacting us directly by phone at 902-895-4454 or email at admin@agri-futures.ns.ca.

Program Description

The Canadian Agricultural Adaptation Program (CAAP) was developed as the successor to the Advancing Canadian Agriculture and Agri-Food (ACAAF) Program, which expired on March 31, 2009. The federal program was developed based on ongoing feedback from the agriculture and agri-food sector and in response to issues noted in the ACAAF Summative Evaluation.

CAAP is designed to have a broad scope and a forward looking orientation. It has a focus unlike most programs developed by AAFC in that: it is industry-led; it has flexibility to respond to small or large project proposals; it is delivered at the national, regional, and multi-regional levels; and it includes agriculture, agri-food, and agri-based businesses.

CAAP was established to support the future success and prosperity of the Canadian agriculture, agri-food, and agri-based products sector. Funded by taxpayer money and delivered at the national level by federal public servants and at the regional and multi-regional levels by Industry Council partners, CAAP and its Industry Council partners are obliged to ensure that it serves and benefits Canadians, and that it is accountable to citizens and Parliament. CAAP fulfills these obligations through four management principles: a focus on citizen-centered service delivery, a commitment to the highest public service values and equivalent partner values, an attention to results, and a mandate to spend public resources responsibly.

As in ACAAF, CAAP will continue to align with the Government of Canada's priorities. Its objective is to facilitate the agriculture, agri-food, and agri-based products sector's ability to seize opportunities, to respond to new and emerging issues and to pathfind and pilot solutions to new and ongoing issues in order to help the sector adapt and remain competitive. CAAP will fund projects identified by the sector that align with priorities identified by industry and government at the national, regional and multi-regional levels.

CAAP Objectives

CAAP will be guided by the following objectives:

- Facilitate the agriculture, agri-food, and agri-based products sector's ability to seize opportunities.
- Respond to new and emerging issues and to pathfind and pilot solutions to new and ongoing issues in order to help it adapt and remain competitive.

CAAP Principles

Funding is conditional on projects meeting the program's objectives and the following program principles. Projects must:

- Be consistent with Government of Canada policy directions including innovation, competitiveness, accountability and sustainable development.
- Fit within the mandate of Agriculture and Agri-Food Canada as defined under the *Department of Agriculture and Agri-Food Act*.
- Demonstrate clearly the benefits to Canada's agriculture, agri-food, and agri-based products sector and to Canadians.
- Be consistent with Canada's international trade commitments and minimize the exposure to countervail.
- Respect the need for equity among regions and stakeholders.
- Exclude those areas that are solely within provincial and territorial jurisdictions.
- Not replace funding from other federal, provincial, or territorial programs or other sources.
- Maximize an appropriate cash contribution from industry.

General CAAP Criteria

Funding is conditional on projects adhering to the program's principles and the following program criteria:

- Projects must seize opportunities, respond to new and emerging issues or pathfind or pilot solutions to new and ongoing issues to help the sector adapt and remain competitive.
- Project proposals must clearly demonstrate the potential for economic viability and longer-term self-sufficiency where the nature of the project warrants.
- Funding is project-based and will be provided for a limited period.
- Funding will not be provided for activities intended to directly influence/lobby any level of government.
- Funding will not be provided for advertisement, promotion and/or awareness activities that brand one region, commodity and/or product over another.
- Funding will not be used as direct income support.
- Funding will not be provided for ongoing activities, normal operations of organizations/businesses nor normal commercial expansion.
- Funding will not be provided for basic research. *
- Funding is conditional on Eligible Recipients meeting all program requirements, performance management and audit requirements.

* *Basic research means experimental or theoretical work which is undertaken primarily to acquire new knowledge without a commercial or other specific application in view.*

Eligible Recipients

Eligible Recipients are any Canadian legal entities (as it relates to the legal jurisdiction of the entities), capable of entering into a contract to deliver a project including but not limited to: individuals, organizations and associations, cooperatives, marketing boards, corporations, aboriginal groups, non-profit organizations including Industry Councils, and for-profit companies.

Excluded from eligibility are:

- Federal, provincial and territorial government departments or agencies and colleges and universities.

Note: CAAP support to for-profit organizations and individuals will generally be provided as repayable contributions.

Eligible Projects

CAAP funds projects that help the sector:

- **Seize opportunities:** means take advantage of a situation or circumstance to develop a new idea, product, niche, or market opportunity to the benefit of the sector.
- **Respond to new and emerging issues:** means to address issues that were not of concern previously or were not known about at all. Issues vary considerably throughout Canada because of soil conditions, climate and the sector's level of development. Some examples of possible projects areas are:
 - Capturing value-added and new market opportunities;
 - Adapting to changing consumer demands within the mandate of AAFC;
 - Implementing strategies and processes to address disease outbreaks and other threats; and
 - Providing assistance for industry to exploit emerging opportunities such as optimizing processes, developing technology and conducting feasibility studies for products, processes, and technologies.

Note: A project addressing an emerging issue may include activities that pilot and/or pathfind a solution or new approach.

- **Pathfind or pilot new solutions and opportunities to on-going issues:**
 - **Pathfinding** means looking at different options to prepare the sector to face the future and remain competitive.
 - **Piloting** means testing ideas or approaches to see if they are effective enough to use in everyday applications in the sector.

Collective Outcome Projects

Collective Outcomes projects are a mechanism to address Industry Council-led priorities that are more than provincial or territorial in scope but less than national. Collective Outcome projects (also referred to as multi-regional projects) are defined as projects that are undertaken by two or more Industry Councils in partnership to address targeted, common areas of focus identified by industry, with the goal of maximizing benefits to the sector beyond the project's province/territory of origin.

Funding Conditions

The funding level will be considered on a case by case basis. Priority, on a first come-first served basis, will be given to applicants with industry-leveraged cash funding. Applicants must demonstrate that they leverage as much non-governmental assistance as possible.

The maximum level of total government funding (federal, provincial, territorial, and municipal funding) for projects under CAAP will generally not exceed 85%. The 15% industry contribution to your project can be cash, in-kind support from your organization only, or a combination of both.

In-kind support means contributions other than monetary which defray a portion of the project's eligible costs.

For-profit companies might be considered for a repayable contribution when project benefits accrue to individuals or to for-profit companies rather than to the public in general. Contributions would be repayable to the Crown and must be paid in full no later than eight years from the year following the project's end date

What is the application deadline?

Applications may be **submitted** at any time or until all CAAP funding allocated to Nova Scotia has been completely committed to projects in Nova Scotia. All activities, including performance and financial reporting activities, must be **completed** no later than March 31, 2014.

It is highly recommended that the application be submitted well in advance of the scheduled activities. This will provide time to receive notification of the acceptance of your completed application from CAAP, to have the application assessed, and, if approved, to negotiate a contribution agreement in advance of the start date.

Who can apply?

Eligible applicants are any Canadian legal entity (as it relates to the legal jurisdiction of the entities) capable of entering into a contract, including but not limited to:

- organizations and associations;
- cooperatives;
- marketing boards;
- aboriginal groups;
- for-profit companies; and
- individuals.

Federal, provincial, territorial government departments or agencies, and, universities and colleges are not eligible applicants under this program.

What type of projects can be funded?

CAAP funds projects that align with priorities identified by industry and/or government at the national level by focusing on the following:

Seizing opportunities is meant to take advantage of a situation or circumstance to develop a new idea, product, niche, or market opportunity to the benefit of the sector.

Responding to new and emerging issues is meant to address issues that were not of concern previously, or were not known about at all. Issues vary considerably throughout Canada because of soil conditions, climate and the level of development of the sector.

Pathfinding and piloting solutions to new and ongoing issues is meant to test ways of dealing with new issues, or find new ways to deal with existing issues. Under CAAP, this is done in two ways:

- **Pathfinding** means looking at different options to prepare the sector to face the future and remain competitive.
- **Piloting** means the testing of ideas or approaches to see if it is effective enough to use in everyday applications in the sector.

Please, contact us if you have any question regarding the eligibility of your project proposal.

CAAP will not replace funding from other federal, provincial, or territorial programs or other sources. Therefore, if your project proposal includes applied or adaptive research, ensure that your project cannot be funded by the [Growing Canadian Agri-Innovations Program](#).

What activities cannot be funded?

The list of ineligible activities includes, but is not limited to, the following:

- project activities intended to directly influence/lobby governments;
- advertisement, promotion and/or awareness activities that brand one region, commodity, and/or product over another;
- information sharing and/or general awareness activities (such as symposia, meetings, tradeshow or conferences) unless they are components of a broader project and are intended to contribute to and/or disseminate project results;
- activities that are deemed to be part of normal business practice for any recipient;
- normal commercial expansion (e.g., enlarging operational facilities);
- basic research;
- activities undertaken at the commercialization phase for a product, process or technology;
- support for university or research chairs;
- support for speakers at general meetings that do not address an issue related to the project;
- international marketing and promotion; and
- the testing of food or other agricultural product on humans (human clinical trials).

Any activity costs incurred before the signing of a contribution agreement, unless authorized by CAAP, are not eligible for reimbursement.

If you have any questions regarding the list of ineligible activities, contact us for clarification.

What project costs are eligible?

Eligible expenditures are costs relating to the execution or implementation of approved projects. Eligible expenditures include:

- incremental ¹ cost of goods, supplies, and all related shipping or transportation costs;
- incremental labour costs such as salaries, benefits, and specific per diem fees;
- incremental costs for rental or lease of facilities, equipment or machinery;
- hospitality and travel costs within Treasury Board Guidelines;
- minor assets, such as computers, less than \$10,000 per-item, if they are specifically required for the execution of a project and are approved in advance in writing by AAFC;
- production of materials required to complete the project including printing, translation and production of materials in the second official language, if required;
- capital ² expenditures that do not exceed 25% of the total project contribution which are specifically required for the execution and performance of the project and that are approved in advance in writing by AAFC; and,
- direct incremental administrative costs as long as they are clearly outlined by cost item.

¹ Additional costs incurred by the recipient which are directly related to undertaking the activities.

² Any asset which has been acquired, constructed or developed with the intention of being used on a continuous basis and is not intended for sale in the ordinary course of business. Capital assets also include betterments that are expenditures relating to the alteration and/or modernization of an asset that appreciably prolong the item's period of usefulness or improve its functionality. Capital assets have a useful life in excess of one year and a per item cost of \$10,000 or greater.

What project costs cannot be funded?

The list of ineligible project costs includes, but is not limited to, the following:

- minor assets and capital items not specifically required for the execution of a project;
- building and land purchases;
- direct income support;
- normal costs of establishing a commercial operation;
- refundable portion of the GST, value-added taxes, or other items for which a refund or rebate is receivable;
- food, hospitality and travel expenditures beyond Treasury Board Guidelines or gifts associated with the hosting of events;
- overhead administrative costs (by percentage of project costs); and
- other administration costs.

How do you apply?

STEP 1: DOWNLOAD APPLICATION FORM, READ THIS GUIDE, CONTACT US FOR SUPPORT IF REQUIRED.

- The application form is available in electronic or hardcopy format.
- We recommend that you complete the application on your computer.
- To avoid any delays in the approval process, ensure that you submit all of the required documentation with your completed application form.

Note that the CAAP administration reserves the right to request any additional information that may be required in order to analyze the application.

STEP 2: COMPLETE THE APPLICATION FORM

Numbering in this Guide corresponds to the numbered sections of the application form.

PART 1 - APPLICANT INFORMATION

Questions #1 to #6

Provide the requested information.

Question #7

Describe your organization's history. For example:

- *Mission/mandate/goals*
- *Date organization formed*

PART 2 - PROJECT INFORMATION

Question #8

Provide the name that will appear on the contribution agreement if the project proposal is approved.

Question #9

It is highly recommended that you submit an application well in advance of the scheduled activities.

Question #10

*All activities, including performance and financial reporting activities, must be **completed** no later than March 31, 2014.*

Question #11

Explain why undertaking the project will help the sector at this time?

Describe the rationale for this project.

Question #12

Describe the project in summary:

- *What is (are) the objective(s)?*
- *Who is (are) the beneficiary (ies)?*

Question #13

Provide a brief overview on how you are going to accomplish your project.

Question #14

What are you hoping to accomplish? What benefits do you expect to achieve for the Canadian agriculture, agri-food and agri based sectors, and Canadians by completing the project? How are the results going to be used?

Question #15

Provide the requested information.

Question #16

Provide the requested information. If applicable, attach copies of any endorsement letters from industry describing the nature of support being provided and the rationale for their support

Question #17

Describe how your project team will administer the project. How it will report on the progress and deliverables internally and to Agri-Futures Nova Scotia and the Minister of Agriculture and Agri-Food Canada (AAFC).

- *Demonstrate how the project's team has the capacity to deliver the project and achieve the expected outcomes, for example:*
- *Financial management experience*
- *Participation of a consulting firm*
- *Previous experience in similar activities*
- *Contacts*
- *Project Management experience*
- *Resources (financial, technical, human, etc.)*
- *Participation of industry experts such as Canadian Food Inspection Agency, etc.*
- *Any other information that could help demonstrates your organization's ability to deliver the project successfully.*

Question #18

How will these risks be managed to minimize any impacts?

Question #19

How will project results be communicated to your target audience?

Question #20

Additional information may be required by the technical experts who will assess whether the project will be required to conduct an environmental assessment screening under the Canadian Environmental Assessment Act prior to the project start.

Answer the next 3 questions if your proposed project includes adaptive or applied research.

Question #21

If applicable, submit a copy of the detailed research methodology. Reminder: Basic research is not an eligible activity under CAAP.

Question #22 to #23

Provide the requested information.

PART 3 - PROJECT WORKPLAN

Each activity must correspond with a corresponding budget item. List the project's activities in chronological order and specify a start and end date for each.

Provide a brief description of the activity and sub-activities and the outputs for each. If applicable, provide details of any specialized techniques involved.

For each activity, describe what will be produced, where applicable.

You need to explain in enough details for us to understand what you are proposing to do and how each activity relates to the funding requested.

You may consider organizing activities into quarters according to the following breakdown: April to June, July to August, September to October and January to March.

PART 4 - TOTAL SOURCES OF FUNDING

Upon request, this table can be provided in Excel.

List all of your funding sources. Applicants are required to confirm all sources of funding before beginning the project and again at the end.

Remember that the maximum level of total government funding (federal, provincial, territorial, and municipal funding) for projects under CAAP will generally not exceed 85%. The 15% industry contribution to your project can be made of cash mainly, in-kind support (from your organization only), or a combination of both.

Only in-kind contribution from the applicant will be considered. In-kind support means contributions other than monetary which defray a portion of the project's eligible costs.

If your partners are receiving funding from the federal, provincial, territorial or municipal government, provide details of which government funding is provided and the amounts. **The CAAP administration may request additional details and documentation related to the sources of funding.**

If actual total government assistance (i.e., federal, provincial, territorial, and municipal) to an applicant exceeds the limit specified in the contribution agreement, the applicant will be required to repay the over-contribution to the Crown.

Consider that a holdback may be taken from each payment made (including advances) to recipients. Holdbacks will be released at project end and will be subject to the receipt of all deliverables stated in the contribution agreement.

PART 5 - BUDGET

Prepare a budget using the form in the application. Upon request, this table can be provided in Excel.

- List all your activities;
- For each activity, list eligible expenses by cost category;
- Budget details provided in budget pages must clearly link back to each activity described in the workplan;
- Estimate project costs and in-kind contributions at fair market value for products and services in your area;
- For each activity listed, provide the source of funds which include applicant's cash and in-kind support, and cash from partners;
- CAAP funds can be used to assist with the costs associated with the financial audit requirement as long as these costs are included within the budget;
- If your proposal is a multi-year project, separate the requested funding by fiscal year.

Since successful applicants will be required to report on project results and provide progress and financial reports on a regular basis, costs related to the performance and financial management are eligible under CAAP and may be used as part of the minimum 15% in-kind provided by the applicant or may be included as an eligible reimbursable budget item.

Include letters of confirmation from partners providing financial support.

Agri-Futures Nova Scotia Association, 332 Willow Street, Suite 201, Truro, Nova Scotia B2N 5A5
Phone: (902) 895-4454 Fax: (902) 893-7063 Email: admin@agri-futures.ns.ca

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Funding for this association and its activities is provided by Agriculture and Agri-Food Canada through the Canadian Agricultural Adaptation Program (CAAP).

DECLARATION - QUESTIONS AND SIGNATURE PART

Answer questions regarding unpaid debts to Canada, conflict of interest disclosure and *Lobbying Act*, if applicable, read the Declaration carefully and sign it.

SUPPORTING DOCUMENTATION

You must provide all mandatory documents such as the incorporation documents and the last two years of audited financial statements.

Other documentation such as business plan and annual reports may be requested by the CAAP administration.

Remember, a **strong application** is one that:

- addresses CAAP's objective, principles and criteria;
- takes into consideration that the maximum level of total government funding (federal, provincial, territorial, and municipal funding) for projects under CAAP will not exceed 85%;
- demonstrates that you have the ability to carry out the project;
- demonstrates good value for dollar;
- includes a completed and signed application form with a detailed budget of project expenses, workplan, etc; and,
- any other additional supporting documentation required to adequately evaluate project activities.

STEP 3: SEND THE COMPLETED APPLICATION PACKAGE

Mail an original signed copy of the Declaration page.

Send the application by email or a hardcopy by mail or fax.

Letters confirming cash support from other funding sources can follow at a later date.

Send any supporting documents by email or mail as appropriate at the same time as the application.

You will receive an acknowledgement of receipt of your application, normally by email. If you have not received an acknowledgement within 2 weeks of submitting your package, we recommend that you contact us directly to make sure that your application has been received.

What happens next?

Your application will be reviewed to ensure it is complete and meets funding criteria. If any information is missing or more information is required, a CAAP officer will contact you to give you an opportunity to provide the information. If applications do not meet the funding criteria and, as such, are not eligible for funding under the CAAP, you will be notified as soon as possible.

The CAAP administration reserves the right to request any additional information that may be required in order to review the application.

What happens next? (continued)

All applications are assessed to ensure that the program's objective is addressed and that the project activities and costs are feasible and meet the program's principles and criteria.

The application package is reviewed by technical experts who will assess that the project is technically sound.

Finally, your application will be reviewed by the Board of Agri-Futures Nova Scotia who make the final recommendation.

The application process is described in further detail in **Annex A**.

Notification

All applicants will be notified of the outcome of the Board adjudication process.

If your project is approved, the next step is to proceed to negotiate a contribution agreement that outlines the terms and conditions of the funding.

It could take several weeks to finalize a contribution agreement depending on the complexity of your project and factors such as partial support committed the reporting requirement and the conditions placed on funding.

The contribution agreement is a legally binding document between the applicant and Agri-Futures Nova Scotia; it is critical that it is understood in its entirety. If requested, a CAAP officer will be happy to review the agreement clause-by-clause with the applicant prior to the signing of it.

If costs are incurred prior to the completion of a contribution agreement, ***the applicant assumes the risk of not being reimbursed*** if the specific costs are deemed ineligible under the resulting agreement or in the event an agreement is never executed.

The contribution agreement is a legally binding document between the applicant and AAFC; it is critical that it is understood in its entirety. If requested, a CAAP officer will be happy to review the agreement clause-by-clause with the applicant prior to the signing of it.

If costs are incurred prior to the completion of a contribution agreement, ***the applicant assumes the risk of not being reimbursed*** if the specific costs are deemed ineligible under the resulting agreement or in the event an agreement is never executed.

Contact us

Any questions or comments may be directed to the Agri-Futures Nova Scotia Office at:

Agri-Futures Nova Scotia
332 Willow Street, Suite 201
Truro, Nova Scotia, B2N 5A5

Website: www.agri-futures.ns.ca
Email: admin@agri-futures.ns.ca
Telephone: 902-895-4454
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ANNEX A - Application Process Flowchart

