

# PROJECT REGISTRATION FORM

Canadian Agri-Food Automation and Intelligence Network Ltd.

2021/22 Competition for the Collaborative Technology Development and Application Program



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## Introduction

This Project Registration Form (PRF) is intended to facilitate development of applications to the 2021/2022 Canadian Agri-Food Automation and Intelligence Network (CAAIN) Competition for the Collaborative Technology Development and Application Program. It is important that applicants link their proposals to CAAIN's intent by including a brief description of the proposed project's objectives and intended outcomes in the space provided. They should also carefully review the stated eligibility criteria to be sure their initiative and team qualify for funding.

CAAIN supports research and innovation activities by reimbursing a portion of an approved project's eligible expenses. Information you provide on this PRF will help determine how much CAAIN will contribute and how much you and your partners will be expected to provide. Submitting a properly completed PRF is a first, necessary stage in the three-step project approval process of CAAIN's 2021/2022 Competition for the Collaborative Technology Development and Application Program. The term "Competition" is intentional, as not all PRF applicants will be invited to participate in Stage 2, which requires that project teams submit a detailed Expression of Interest.

If you require additional information or help preparing your application, please visit the CAAIN website [caain.ca](http://caain.ca) and download the Program Guide, or email your inquiry to [info@caain.ca](mailto:info@caain.ca). All fields in this PRF must be filled out and all questions answered in full.

**Your completed Project Registration Form must be submitted electronically to [info@caain.ca](mailto:info@caain.ca) by 2:00 PM MT, October 22, 2021.**

## Eligibility Criteria

The following criteria are among the elements CAAIN will consider when evaluating whether to advance a proposal to the Expression of Interest stage:

1. Project objectives must be consistent with those of CAAIN and of the ISED Strategic Innovation [Fund Stream 4](#).
2. The project team must include at least two small or medium enterprises (SME) incorporated in Canada. SMEs are defined by Statistics Canada as businesses with 499 or fewer employees. For some projects, the addition of an MNE (multinational enterprise) may be of value and could help applicants provide the necessary minimum 60% industry cash contribution.
3. At least two separate entities of the project team must contribute financially, investing no less than 60% of the project's total eligible supported expenses. CAAIN will reimburse up to a maximum 40% of total eligible supported expenses (see Appendices [1](#) and [2](#)).

4. Project team members must determine the amount and nature of their respective contributions, which need not to be equal, but must make up the balance of total eligible project costs not funded by CAAIN (see [Appendix 1](#)).
5. The project lead must ensure that each member of the proposed team will contribute meaningfully to the project.
6. In-kind contributions are not eligible as matching contributions but are considered relevant and important resources that will add to the project's total worth. They will be assessed at fair market value.
7. The initiative must be incremental to the regular business of project team member organisations, meaning that:
  - a. Financial commitments are distinct from investments that would have otherwise occurred; and
  - b. The project is new or would not be undertaken at the same scope or scale without the support of CAAIN funding.
8. All funded projects are required to pay CAAIN administration fee equal to 4% of the total eligible supported expenses. These fees will be deducted from each approved claim prior to reimbursement to the Recipient.
9. All project partners must be academic institutions, not-for-profit organisations, or companies legally entitled to do business in Canada. CAAIN project contributions must flow only to Canadian enterprises. All team members must be working in Canada.
10. The project team may include one or more academic and/or research institution partner. This is encouraged but not mandatory.
11. Applicants must demonstrate how their project will provide significant public benefit (economic, employment-related, social, and/or environmental) during development or following completion.

# Submission Details

## LEAD ORGANISATION

Organisation name:

## PRIMARY CONTACT

First name:  Last name:

Email:  Phone:

## CAAIN PRIORITY

How does your solution fit with CAAIN’s priority areas for ag-tech investment?

## PROJECT TITLE (10-word maximum)

## PROJECT DESCRIPTION (½-page maximum)

What is the problem or opportunity you intend to address? What is your proposed solution?

**PROJECT MEMBERS (IN ADDITION TO LEAD APPLICANT)**

Partner organisation:	<input type="text"/>	Contact name:	<input type="text"/>
Partner organisation:	<input type="text"/>	Contact name:	<input type="text"/>
Partner organisation:	<input type="text"/>	Contact name:	<input type="text"/>
Partner organisation:	<input type="text"/>	Contact name:	<input type="text"/>

**ADDITIONAL PARTNERS (ORGANISATION OR INDIVIDUAL)**

Are you open to adding other partners?       Yes    No

If yes, do you need help finding partners?       Yes    No

**PROJECT FINANCIALS**

**(Please note the maximum CAAIN funding available per project is \$3M)**

Estimated total project cost:

Amount of CAAIN investment requested:

Total industry cash contribution:

Other public funding aligned to this project?       Yes    No

If yes, provide amount and source:

CAAIN will match only unencumbered cash contributions to the project for eligible supported expenses. CAAIN will not match:

- Funds provided directly for the proposed project by any government or publicly funded entity;
- Future revenue associated with the outcomes of the project such as tax incentives associated with the project (e.g., Canadian [SR&ED](#) credits);
- Revenue from sales of the project’s end-products; or
- Non-eligible contributions.

However, the presence of these revenue sources may be noted in the application, as the merits of such contributions will be taken into consideration during the evaluation. Applicants must justify the amount of funding asked of CAAIN, whose reviewers may choose to approve the project but award less funding than requested.

[Guidelines for Sharing of Information](#)

All approved projects must agree to make public a non-confidential summary of their project, including total value and expected outcomes. All approved projects must agree to be part of CAAIN’s promotional activities and media events, if requested. All announcements regarding CAAIN investment must be coordinated and approved by CAAIN prior to being released.

## Sharing Intellectual Property and Data

To maximise impact, CAAIN hopes to share with its network members a catalogue of **high-level descriptions** of the Intellectual Property (IP) and data generated by the projects it funds.

Interested CAAIN members may then seek to collaborate through IP- or data-sharing agreements.

Is your project team willing to share data and/or IP with other CAAIN network members **in accordance with a use agreement**?

- Yes: Both    Yes: Data only    Yes: IP only    Yes: Data generated will be open source  
 No

Other comments regarding data and/or IP sharing:

## Notice of Financial Requirements

If the project is formally approved, CAAIN will undertake a financial assessment to ensure your project team can support its commitment.

### Declaration

- I affirm that to my knowledge everything on this form is true and accurate.  
 I agree to all requirements as outlined above.  
 I verify all participating project team members agree to CAAIN's financial due diligence  
 I am authorized to sign on behalf of the Project Team Lead Organisation.

Print Name of Primary Contact/Project Lead

\_\_\_\_\_  
Signature of Primary Contact/Project Lead

Date

## Appendix 1: Available Cost-Sharing Ratios

For CAAIN projects, cost sharing ratios will be contingent on cooperation and coordination factors between applicants and alignment with CAAIN network objectives. The ratios considered range from a 20% reimbursement of eligible supported costs by CAAIN (80% of cost is contributed by participating organisations) to a maximum of 40% contribution toward eligible supported costs (60% of cost is contributed by participating organisations).

Criterion	CAAIN Contribution
The proposed project meets basic eligibility requirements as published in this Program Guide, will be consistent with TRL stages 1 to 7 as described <a href="#">below</a> , demonstrates expanded collaboration, and is likely to result in significant <a href="#">benefit</a> for Canada.	20%
Project team members agree to provide a high-level summary of datasets generated during the project for publication in the CAAIN <a href="#">Data catalogue</a> .	10%
Project team members agree to contribute a high-level summary of Foreground IP generated to the CAAIN <a href="#">IP catalogue</a> .	10%
<b>MAXIMUM CONTRIBUTION</b>	<b>40%</b>

### Technology Readiness Levels (TRL)

Many federally-funded programs support projects at different stages of development. These are represented by technology readiness levels, of which there are nine, with 1 being the least advanced, or ready, and 9 being already used in real-life conditions. To be eligible for CAAIN funding all projects should fall between **TRLs 1 and 7**.

Technology Readiness Level	Description
<b>TRL 1—Basic principles observed and reported</b>	Lowest level of technology readiness. Scientific research begins to be translated into applied R&D. Examples might include paper studies of a technology's basic properties.
<b>TRL 2—Technology concept and/or application formulated</b>	Invention begins. Once basic principles are observed, practical applications can be invented. Applications are speculative, and there may be no proof or detailed analysis to support the assumptions.
<b>TRL 3—Analytical and experimental critical function and/or characteristic proof of concept</b>	Active R&D is initiated. This includes analytical studies and laboratory studies to physically validate the analytical predictions of separate elements of the technology.
<b>TRL 4—Product and/or process validation in laboratory environment</b>	Basic technological products and/or processes are tested to establish that they will work.



Technology Readiness Level	Description
<b>TRL 5—Product and/or process validation in relevant environment</b>	Reliability of product and/or process innovation increases significantly. The basic products and/or processes are integrated so they can be tested in a simulated environment.
<b>TRL 6—Product and/or process prototype demonstration in a relevant environment</b>	Prototypes are tested in a relevant environment. Represents a major step up in a technology's demonstrated readiness. Examples include testing a prototype in a simulated operational environment.
<b>TRL 7—Product and/or process prototype demonstration in an operational environment</b>	Prototype near or at planned operational system and requires demonstration of an actual prototype in an operational environment (e.g., in a vehicle).
<b>TRL 8—Actual product and/or process completed and qualified through test and demonstration</b>	Innovation has been proven to work in its final form and under expected conditions. In almost all cases, this TRL represents the end of true system development.
<b>TRL 9—Actual product and/or process proven successful</b>	Actual application of the product and/or process innovation in its final form or function.

### Benefits to Canadians

Applications will be assessed on a competitive basis to identify those projects that will provide strong benefits as outlined below, and that also best demonstrate a commitment to further developing the technology for potential commercialisation or research purposes.

- *Innovation Benefits*  
The proposed project's expected contribution towards the enhancement or development of new industrial or technological innovations. Assessment factors may include potential spillover benefits, creation of intellectual property, patents filed, impact on productivity of the new technology, and number of journal publications.
- *Economic Benefits*  
The proposed project's forecasted impact on the growth of Canadian firms, clusters and supply chains, as well as its expected benefits for Canada's workforce. Assessment factors may include number of new businesses and jobs created, the resulting number of high-paying jobs, and project-related revenue growth.
- *Public and Social Benefits*  
The project's expected contribution to the broader public good, including inclusive business and hiring practices, such as gender balance, investment in skills and training, and environmental best practices. Assessment would consider the degree to which the applicant demonstrates that the project is expected to generate social, environmental, health, security, or other benefits to Canada. Assessment factors may include project-related environmental benefits, investment in local communities, and project-related impact on Indigenous communities. Potential impacts could include:
  - Development of highly qualified personnel
  - Investment in STEM-related co-op or WIL programs

- Promotion of EDI in hiring, training processes and business practices
- Integration of technology access in remote and under-represented regions, including First Nations lands
- Reduction of greenhouse gas emissions
- Improvement of soil conservation
- Preservation of biodiversity
- Protection and preservation of waterways
- Improvement of the health and security of Canadians

#### Data- and IP-Sharing

CAAIN strongly encourages the sharing of data and IP between project partners and CAAIN to contribute to the sustainability and value of the network to its members. Applications will be assessed on a competitive basis to identify those projects that will provide strong collaboration and resource-sharing potential among CAAIN members.

CAAIN will work with industry professionals to identify an appropriate standards-based data-sharing platform and establish guiding principles to develop and implement policies, procedures, and standards so data can be managed as a strategic asset for the network, its members, and if applicable, as open data. This includes protocols for data migration, transformation, sharing, and revenue generation, as many innovations will benefit from the aggregation of data from multiple sources. CAAIN will develop a Data Catalogue for the exclusive use of members.

To aid SMEs and large businesses in maximising the value of the IP they help develop, CAAIN will also create an IP Catalogue for all foreground IP resulting from CAAIN investments. CAAIN may also assist in developing project-based connections of its network members by identifying potential foreground IP and additional partners that could add value to the CAAIN network or benefit from more formal access to such intellectual property.

## Appendix 2: CAAIN Cost Principles

### 1. Eligible Costs

Eligible Costs incurred and paid by the Project Lead/partner are those which are necessary to carry out the Approved Project activities. These costs are generally non-recurring and incremental to the ordinary business activities of the Project Lead/Partner. Eligible Costs shall be reasonable, such that the nature and the amounts do not exceed what an ordinary prudent person would conduct in a similar business context and can be directly attributable to the completion of the Approved Project activities included in the Project Agreement. These costs must be determined in accordance with the Project Lead/Partner's cost accounting practices as accepted by CAAIN and the Minister of Innovation Science and Economic Development (ISED) and applied consistently over time. The cost accounting system should clearly establish an audit trail that supports all costs claimed.

### 2. Affiliated Persons Clause

Affiliated Persons are to be understood and treated as defined in the *Income Tax Act*, which includes but is not limited to; two or more entities that have similar ownership personnel; or entities that have a working business relationship.

In the case of Eligible Costs for goods or services incurred and paid with an Affiliated Person, the amount of the costs incurred and paid must:

- i. Not exceed their Fair Market Value;
- ii. In the case of a good or service for which there is no Fair Market Value, the amount must not exceed the Fair Market Value of Similar Goods; or
- iii. In the case of a good or service for which there is neither a Fair Market Value nor Similar Goods, the amount must not exceed the sum of the applicable Direct Costs with Indirect Costs (Overhead) at the rate stipulated by the Project Agreement, plus 5% profit.

*\*Note: It is important for Lead/Ulimate Recipient(s)'s, from the outset, to self-identify any related parties or Affiliated Persons who will be contracted to provide goods or perform services for completion of Approved Project activities. For wholly owned subsidiaries of the Project Lead/Partner completing Approved Project activities, its Eligible Costs incurred and paid will be claimed by the Project Lead/Partner on their behalf and costs are to be treated as if the wholly owned subsidiary is the Project Lead/Partner*

### 3. Reporting Responsibility

It is the Project Lead/Partner's responsibility to provide financial records, costing methods, management estimates and legitimate business causes to support the claimed costs to the satisfaction of CAAIN and ISED.

#### 4. Eligible Cost Activities

For the Project Lead/Partner, Eligible Costs will generally include expenditures related to the following activities:

- i. Industrial research, including activities related to the discovery of new knowledge that aim to support the development of new technology-driven products, processes or services at early-stage technology readiness levels; and
- ii. Large-scale technology demonstration, including the advancement and development of new technologies into product-specific applications at mid-to-late-stage technology readiness levels.

Projects should cover a broad range of TRLs to support the development and growth of innovation ecosystems through activities from research to near commercialization.

#### 5. Eligible Cost Categories

In performing the Approved Project Activities included in the Project Agreement, Eligible Cost categories may include the following:

- A. **Direct Labour:** meaning the portion of gross wages or salaries incurred and paid by the Project Lead/Partner (s) for eligible activities which can be specifically identified and measured as having been performed for the Approved Project activities and which is so identified and measured consistently by the Project Lead/Partner(s)' cost accounting system . The cost accounting system should clearly indicate the allocation of an employee's hours worked on the Approved Project activities.
- B. **Subcontractors and Consultants:** meaning the costs of subcontracts or consultants incurred and paid for Approved Project activities are the costs for work or services performed by an external third party or affiliate (except a wholly-owned subsidiary), which can be specifically identified and measured as having been incurred and paid for the Approved Project activities. The Project Lead/Partner(s) cannot be a recipient and a Subcontractor in the same Network or on the same Eligible Project.
- C. **Direct Materials:** : meaning the cost of materials which are incurred and paid and can be specifically identified and measured as having been processed, manufactured and used in the performance of the Approved Project activities, which are measured consistently by the Project Lead/Partner(s)' cost accounting system.
  - i. Materials purchased solely for the activities of the Approved Project shall be at the net laid down cost to the Project Lead/Partner(s), net of any sale taxes and after any discounts offered by the suppliers.
  - ii. Materials issued from the Project Lead/partner(s)' general stocks shall be measured in accordance with the material pricing method consistently used by the Project Lead/Partner(s).

Direct Materials include, but are not limited to, items such as circuit boards, cables and metals, essentially any raw material that is “used up” by completing Approved Project activities.

D. **Equipment:** meaning the capital cost of Equipment, which are incurred and paid and can be specifically identified as having been purchased for Approved Project activities and measured consistently by the Project Lead/Partner costing system. Significant Equipment required to complete the Approved Project activities should be detailed in the Project Agreement. See below scenarios for clarification of costs related to equipment:

- i. If a Project Lead/Partner has built the equipment themselves, the costs would be allocated to the appropriate cost categories (Direct Material, Direct Labour, etc.);
- ii. If a Project Lead/Partner has equipment built by a third party, the costs would be allocated to the Equipment category if readily identifiable, otherwise the equipment could be reported in Subcontractors category; and
- iii. If a Project Lead/Partner outright purchases a piece of equipment, the costs would be allocated to the Equipment category.

Capital equipment acquired under the Agreement may be subject to CAAIN and ISED approval for disposal and repayment may be triggered if sold.

Equipment costs include but are not limited to, the purchase of equipment necessary for the Approved Project activities, costs to alter or modernize the equipment, costs to get the equipment into working order, and shipping costs.

E. **Land, Building and Building Improvement:** meaning the capital cost of land, buildings or building improvement that are incurred and paid, and are necessary to carry out Approved Project activities and have been approved by CAAIN and ISED. Eligible building costs may include the acquisition costs, construction of new or the expansion of existing facilities, the development of testing facilities, investments in modern buildings, building and land leases (the incremental cost of leasing land during the work phase of the Approved Project activities), and permanent building improvement. See below scenarios for clarification of costs related to buildings:

- i. If a Project lead/Partner has built the facility themselves, the costs would be allocated to the appropriate cost categories (Direct Material, Direct Labour, etc.);
- ii. If a Project Lead partner has a facility built by a third party, the costs would be allocated to the Subcontractors category; and
- iii. If a Project Lead/Partner outright purchases an already existing building, the costs would be allocated to the building category

F. **Other Direct Costs:** meaning those eligible direct costs, not falling within the categories of direct cost mentioned above, but which are incurred and paid, and can be

specifically identified and measured as having been incurred and paid by the Project Lead Partner(s) for the activities of the Approved Project and which are so identified and measured consistently by the Project Lead/Partner(s)' costing system.

**Travel and Outreach Costs** meaning those eligible direct costs incurred and paid by the Project Lead/Partner that are directly related to Approved Project activities. Travel expenses shall be appropriate, economical, reasonable and available to most of the employees of the Project Lead/Partner. Travel costs can be claimed, to the maximum allowance, as detailed in CAAIN travel expense policy and federal treasury board policies.

## 6. Indirect Costs (Overhead)

Indirect Costs (Overhead) are those costs which, though necessarily having been incurred and paid by the Project Lead/Partner(s) for the conduct of the business in general, cannot be identified and measured as directly applicable to the carrying out of the Approved project activities included Project Agreement.

Indirect Costs (Overhead) include, but are not limited to:

- (a) Indirect materials and supplies including but not limited to, supplies of low-value, high-usage and consumable items, such as paintbrushes and safety supplies, which meet the definition of Direct Material costs but for which it is commercially unreasonable, in the context of the Approved Project activities, to account for their costs in the manner prescribed for Direct Costs. Costs such as stationery, office supplies, postage and other necessary administration and management expenses, small tools, such as ladders, drills, paint sprayer, and general inventory build-up are additional examples.
- (b) Indirect labour, Approved Project management, and general administrative costs, including but not limited to the remuneration of executive and corporate officers, general office wages and salaries, clerical expenses, HR, Accounting/Finance staff, overtime premiums, bonuses, all types of benefits paid by employer, for example, CPP, EI, fringe benefits, medical benefits, dental benefits, pension benefits and other taxable benefits.
- (c) Indirect building costs including, but not limited to, snowplowing costs, public utilities expenses of a general nature including but not limited to, power, HVAC, lighting, and the operation and maintenance of general assets and facilities;
- (d) Expenses such as property taxes, rentals of equipment and building (not covered as part of direct costs) and depreciation costs;
- (e) Indirect equipment costs including, but not limited to, maintenance cost of assets, office equipment, office furniture, etc.; and
- (f) Other indirect costs including, but not limited to, daily commutes, unreasonable modes of transportation, general software and licenses, and travel insurance.

Indirect Costs (Overhead) thresholds of 55% on eligible Direct Labour but no more than 15% of total Eligible Costs will apply for each Project Lead/Partner (and for each individual Approved Project if more than one Approved Project is selected for a Project Lead/Partner).

## 7. Ineligible Costs

Ineligible Costs incurred and paid by the Project Lead/Partners(s) are not eligible for reimbursement by CAAIN, regardless of whether they are reasonably and properly incurred and paid in the carrying out of the Approved Project activities.

Ineligible Costs includes:

- (a) any form of interest paid or payable on invested capital, bonds, debentures, bank or other loans together with related bond discounts and finance charges; the interest portion of the lease cost that is attributable to cost of borrowing regardless of types of lease;
- (b) legal, accounting and consulting fees in connection with financial reorganisation (including the set-up of new not-for-profit organisations), security issues, capital stock issues, obtaining of licenses, establishment and management of agreements with Project Partners and prosecution of claims against CAAIN or ISED. Such legal costs associated with developing the agreement template and in connection with obtaining patents or other statutory protection for Network intellectual property are considered eligible;
- (c) losses on investments, bad debts and expenses for the collection charges;
- (d) losses on other projects or contracts;
- (e) federal and provincial income taxes, goods and services taxes, value added taxes, excess profit
- (f) taxes or surtaxes and/or special expenses in connection with those taxes, except duty taxes paid for importing.
- (g) provisions for contingencies;
- (h) premiums for life insurance on the lives of officers and/or directors where proceeds accrue to the Recipient;
- (i) amortization of unrealized appreciation of assets;
- (j) depreciation of assets paid for by CAAIN or ISED;
- (k) fines and penalties;
- (l) expenses and depreciation of excess facilities;
- (m) unreasonable compensation for officers and employees;
- (n) product development or improvement expenses not associated with the work being performed under the Network;
- (o) advertising, except reasonable advertising of an industrial or institutional character placed in trade, technical or professional journals for the dissemination of information for the industry or institution;

- (p) entertainment expenses (including but not limited to, catering, alcohol, non-travel expenses);
- (q) donations;
- (r) dues and other memberships other than regular trade and professional associations;
- (s) extraordinary or abnormal fees for professional advice in regard to technical, administrative or accounting matters, unless approval from CAAIN is obtained;
- (t) selling and marketing expenses associated with the products or services or both being developed under the Project Agreement;
- (u) in-kind costs; and
- (v) recruiting fees.