

**ABORIGINAL AGRICULTURE INITIATIVE (AAI)  
AGRICULTURE & AGRI-FOOD CANADA**

**Program Terms and Conditions for Proposal-Based Projects  
for Agriculture and Agri-Food Canada**

**PURPOSE**

The purpose of the document is to set forth terms and conditions for the administration of the contributions for this initiative. Funding for this initiative is provided by Indian and Northern Affairs Canada (INAC) with program delivery and in-kind professional and technical support contributed by Agriculture and Agri-Food Canada (AAFC).

Initial funding is available for a two year period, beginning in fiscal year 2011/12 and ending in fiscal year 2012/13.

**1.1 PROGRAM OBJECTIVE**

The Objective of the Aboriginal Agriculture Initiative is to increase economic development opportunities for Aboriginal Canadians within the Agriculture and Agri-product sector. This is intended to lead to greater participation by Aboriginal Peoples in the Canadian economy through: planned and integrated economic development activities; the identification of economic and business opportunities; capacity building; investment in economic infrastructure; the creation and expansion of viable businesses; and investments and partnerships in economic and resource opportunities.

**1.2 RESULTS AND OUTCOME**

This program's anticipated results align with the Department's On-Farm Action and Agri-Business Development Program Activity. They are linked to the strategic outcomes which include an environmentally sustainable and innovative agriculture, agri-food and agri-based products sector.

The activities to be undertaken during this initiative (program) will lead to the following outcome under the Aboriginal Agriculture Initiative:

- Investments and partnerships in economic and resource opportunities in agriculture and agri-processing.

The activities undertaken will contribute to the intended outcomes of the Federal Framework for Aboriginal Economic Development:

- Opportunity-ready Aboriginal communities;
- Viable Aboriginal businesses;
- A skilled Aboriginal workforce.

The links between the departmental strategic outcomes and the AAI Program for the Aboriginal Agriculture Sector are articulated in the Performance Measurement Strategy:

### **1.3 PERFORMANCE MEASUREMENT (Refer to Schedule A of Request for Proposal)**

Performance measures for assessing progress towards the expected results of this initiative for the Aboriginal Agriculture Sector will be included in regular departmental reporting.

Performance indicators may include but are not limited to the following:

- Number of training initiatives taken;
- Number of trainees;
- Number and dollar value of feasibility studies, planning initiatives, business plans, negotiations, development of partnerships, and infrastructure development; and
- Number of new or expanded Aboriginal businesses in partner communities
- Total dollar value of leveraged investments for implementation of economic and resource projects with Aboriginal communities
- Number of Aboriginal communities participating as proponents or partners in economic opportunities

### **2.0 PRIORITY AREAS Targeted to strengthen Aboriginal Agriculture Economic Development**

**Three priority areas of focus under this program that will support the development of economic opportunities.**

#### **2.1 Supporting Innovation and Competitiveness**

- Developing and marketing specialty products (e.g. traditional and medicinal foods, etc.)
- Aboriginal branding of commodities
- Identifying and developing new and emerging markets
- Developing local food production systems, including the use of organic or natural food sources to create viable business opportunities and link growers to local food markets, (e.g. greenhouses etc.)
- Partnering with neighbouring communities and industry on new technology and improved/competitive practices
- Developing and expanding Aboriginal agri-business
- Other innovative ideas to be assessed separately for merit.

#### **2.2 Developing Capacity**

- Fostering the transformation of local ideas and untapped assets into sustainable economic activities.
- Building capacity in land use planning and management including data capture and technical support for developing land and water management practices e.g. beneficial management practices, including water source protection strategies
- Benchmarking current land and water resource conditions, current agricultural conditions and identifying areas where improvement is needed
- Building an entrepreneurial approach to create economic opportunities in the communities

- Building knowledge about various business models ie: co-ops)
- Building capacity in agriculture based business; environmental risk management and in using beneficial management practices to mitigate risks
- Accessing professional advisory services to strengthen management capabilities e.g. financial accounting and marketing capacity.
- Other innovative ideas to be assessed separately for merit.

### **2.3 Engaging and Developing Aboriginal Human Capital and Youth (in the context of the agriculture and agri-based products sector):**

- Building youth awareness around Agriculture career opportunities
- Building youth entrepreneurship
- Building youth knowledge, skills and leadership development through approaches such as mentorship
- Other innovative ideas to be assessed separately for merit.

## **3.0 PROGRAM PRINCIPLES**

### **The renewal of healthy and prosperous Aboriginal communities and cultures by:**

- Increasing Aboriginal involvement in the agriculture sector and associated economic opportunities;
- Supporting Aboriginal values of environmental stewardship;
- Building on current and past successes that have increased Aboriginal involvement in Agriculture;
- Building strong and trusted relationships by:
  - Ensuring community engagement to build appropriate opportunities for meeting the community's vision
  - Developing capacity through knowledge exchange, employment and awareness

## **4.0 ELIGIBLE RECIPIENTS**

- 4.1 Eligible Recipients must be a Canadian legal entity capable of entering into an agreement and one or more of the following:
- a) Aboriginal communities;
  - b) Tribal Councils;
  - c) Governments of self-governing First Nations;
  - d) Local governments of Inuit communities;
  - e) Aboriginal for profit and not-for-profit corporations, partnerships, associations, co-operatives and institutions which are majority owned and controlled by Aboriginal people; and
  - f) Aboriginal businesses, partnerships and joint ventures.

4.2 Non-aboriginal entities are not eligible recipients for the Program.

## **5.0 RECIPIENT'S OBLIGATIONS**

A Recipient must:

- 5.1 submit a proposal to AAFC review committee to undertake a project through the Aboriginal Agriculture Initiative; Proposals must be complete and address all requested information (e.g. objectives, milestones, budgets etc);
- 5.2 enter into a Contribution Agreement with AAFC for the purposes of undertaking and completing the project;
- 5.3 provide the Recipient's Business Number (BN) or Goods and Services Tax/Harmonized Sales Tax (GST/HST) Number at the time invoices are submitted for reimbursement.
- 5.4 consent to the disclosure and use of the information in the proposal for the purpose of general analysis and verification of the proposal;
- 5.5 use a fair and competitive or otherwise justifiable generally accepted sound business process to ensure competent and qualified contractors and/or personnel work on the project;
- 5.6 permit AAFC to use the information contained within the proposal for other programs administered by AAFC;
- 5.7 provide AAFC with semi annual updates and status of initiatives and an annual performance report within sixty (60) days of the end of each fiscal year;
- 5.8 provide AAFC with a final performance report, following an AAFC template, which includes a project summary and provides conclusions and recommendations for future programs within sixty (60) days of the project completion date or the date of termination or expiration of the Contribution Agreement, whichever is earliest;
- 5.9 grant AAFC officials and authorized persons, agencies or groups access to the project premises and/or study or work sites to assess the progress of the project, inspection, evaluation, demonstration, audit and public information purposes, if requested, and to render reasonable assistance to those persons for these purposes; and
- 5.10 share the project results with other First Nations, participate in workshops, if hosted by AAFC, INAC, the Province/Territory and consent to AAFC's release of the Recipient's report(s) in proceedings or publications with appropriate recognition of the Recipient.

## **6.0 ELIGIBLE PROJECT ACTIVITIES**

- 6.1 Eligible Project activities must serve the Program Objective (1.1) and be consistent with the three Priority Areas (2.0).

Preference will be given to projects that source financial and in-kind contributions from private partners, proponent contributions, and private financial agreements. Where federal funds are being provided, eligibility for funding from other programs should be considered and assessed.

- 6.2 Ineligible project activities under the AAI include: the purchase of land and all related activities, community infrastructure development not related to economic development initiatives such as public office buildings, construction, improvements or repairs to recreation and friendship centres, gaming houses, and public halls; ongoing operating costs of Aboriginal organizations; or other initiatives that do not result in an economic benefit to Aboriginal people.
- 6.3 Projects must be carried out within Canada and be for the benefit of Canadian agriculture and agri-food, or Canadian agricultural producers.

## **7.0 ELIGIBLE PROJECT COSTS**

The Department of Agriculture and Agri-Food Canada (AAFC) will collaborate with Aboriginal stakeholders to pursue strategic approaches to investment in the agriculture sector for specific economic opportunities. Initiatives will enable Aboriginal Canadians to participate in the agriculture and agri-food sector and derive long term sustainable benefit from those opportunities. In collaboration with Aboriginal stakeholders, AAFC will develop and implement informed and comprehensive strategies that are responsive to identified needs and that will assist communities to achieve their long term economic interests.

Eligible costs will be those expenditures required to carry out the project under the AAI program.

- 7.1 The following list constitutes Eligible Project costs under the Program and must be incremental to existing operating costs:
- a) consultant fees and other qualified professionals or contracted work to provide expertise that is not available in the recipients organization;
  - b) technical services (e.g. geographical information systems, information technology, etc)
  - c) training and skills development
  - d) costs of infrastructure development including costs related to planning, design, construction or repair, permits, and environment assessments;
  - e) capital costs greater than \$2000. (must be approved in writing by AAFC prior to being incurred;
  - f) small machinery and equipment (rental or purchase)
  - g) incremental operating costs directly related to the AAI project
  - h) salaries and wages and benefits;
  - i) travel, including accommodation, meals, and allowances within Government of Canada Treasury Board guidelines;
  - j) conferences, workshops and meetings ;
  - k) administrative costs (not to exceed 10% of total contribution)
  - l) other costs not listed that have been approved in writing by AAFC prior to being incurred.

## **8.0 INELIGIBLE PROJECT COSTS**

- 8.1 Refundable portion of the Goods and Services Tax/Harmonized Sales Tax (GST/HST), value-added taxes, or other items for which a refund or rebate is received are not eligible project costs.
- 8.2 Other costs not listed as Eligible or not otherwise pre-approved by AAFC.

## **9.0 PROPOSAL APPROVAL PROCESS**

- 9.1 Proposals will be invited from project proponents able to undertake work/ activities that meets the objectives of the AAI.
- 9.2 Proposals will be screened and rated by a technical review team to ensure project funds are directed to those proposals that best address initiative objectives and meet national and regional priorities. Screening and Rating criteria are attached as appendix C.
- 9.3 Preference will be given to proposals that include other sources of funding, from the project proponent, other levels of government, and private organizations.
- 9.4 Contribution Agreements for approved projects will be drafted for signature between Eligible Recipients and AAFC. The maximum contribution to any Recipient will be as described in Section 10.0 - Payment Criteria.

## **10.0 PAYMENT CRITERIA**

- 10.1 The maximum amount payable to any one Recipient will not exceed \$2,000,000 over the two-year period beginning in fiscal 2011/12 and ending in fiscal 2012/13.
- 10.2 Upon completion of the project or at a stage during the project, the Recipient may request reimbursement of eligible costs and must provide AAFC or program delivery service contractors with appropriate documentation including (but not limited to) invoices, accounting ledgers, and detailed spreadsheets which detail eligible costs and this is to be accompanied by a brief report of the work completed for the period covered by the payment. Payment will be issued upon receipt of documentation and verification of the eligible costs being claimed.
- 10.3 A holdback of a portion of any payment under a contribution funding arrangement may be made when deemed appropriate based on the risk of non-performance or overpayment.
- 10.4 Where it is essential to the achievement of the program objectives and specifically provided for in the funding arrangement, advance payments may be made in accordance with the cash management provisions of the Government of Canada Treasury Board Directive on Transfer Payments.
- 10.5 AAFC or program delivery service contractors may impose additional conditions of financial assistance whereby all conditions will be described in a Contribution Agreement signed between AAFC or program delivery service contractors and the Recipient.

- 10.6 The final payment will be made only after AAFC is satisfied that the Recipient has met all the requirements of the contribution funding arrangement, and on receipt and acceptance of a final report(s) and/or financial statement(s).
- 10.7 Any payment by AAFC under the Project is subject to: (a) there being an appropriation of funds by Parliament for the fiscal year in which any commitment there under would come in course of payment; and, (b) cancellation or reduction of payments in the event that departmental funding levels are changed by Parliament.

## 11.0 PROPOSAL SUBMISSION

11.1 The deadline date(s) for submitting proposals will be determined by AAFC.

11.2 The proposal, at a minimum, should include the following information:

- **Proposal Title and Location** – state the Recipient’s name, proposal title and location. Include mailing address, e-mail address, telephone and fax numbers and signing authority name and contact information of a contact person if different from the Recipient. If applicable, provide proof of active corporate standing.
- **Proposal Objective** – provide a concise objective that states what the proposal will accomplish, and how the proposal contributes to long term sustainable economic development.
- **Proposal Description** – provide a description of the activities to be undertaken including the specific need for the work, and how it will move aboriginal agriculture economic development forward. (Include any appropriate letters of support.)
- **Anticipated Outcomes and Planned Results** – provide a description of the anticipated results or end products, how they contribute to objective, priorities and intended outcomes of AAI and the anticipated long term economic benefits of the project. For capacity building, identify how capacity will be retained and shared over the long term.
- **Budget** – clearly indicate the level of funding you are requesting (annual expenditure estimates by activity), itemizing expenditures on the basis of administration, salary and service contracts, project development and delivery, communications and evaluation. Contributions and proposed expenditures (both cash and in-kind) for partnering agencies should also be included.
- **Proponent Experience** – provide information that demonstrates the proponent’s ability to successfully complete the project (e.g. past experience in completing similar projects, financial situation, internal capacity).
- **Technical Advisors and Collaborators** – indicate the technical advisors and collaborators and their respective roles in the proposal.

- **Milestones and Activities** – list the major stages and deliverables of the proposed project and indicate the anticipated completion dates for each stage.
- **Work Plan Implementation** – list the specific roles and duties of the proponent, their partners and other contributors.
- **Conflict of Interest** – disclose any potential conflict of interest including debts owing to the Crown;
- **Access** – provide **Environmental Assessment** if required;
- **Access** – to requested documents, facilities and personnel by AAFC personnel and authorized persons for inspection, evaluation, demonstration, audit and public information purposes if requested;
- **Consent to Disclosure** – consent to the disclosure of any information required by an administering party or for the purposes of proactive disclosure;
- **Declaration** – complete the declaration containing information that needs to be printed and signed by the proponent(s) who are authorized representatives; and
- **Any Other Information** – deemed appropriate to assess the eligibility and relative value of the project.

11.3 Additional supporting information (e.g. letters of support) can be attached to the proposal.

## 12.0 PRIVACY AND CONFIDENTIALITY

All personal information provided by the proponent will be protected under the provisions of the *Privacy Act* and will be stored in the Environmental Stewardship (PPU 624) area. Personal information provided by the proponent about another individual may be accessible to (that individual) under the *Privacy Act*. Information, other than personal, may be accessible or protected as required under the provisions of the *Access to Information Act*.

## 13.0 LEVEL OF FUNDING

13.1 The Government of Canada will make a maximum contribution to any one Recipient under the Program as described in Section 10.0 – Payment Criteria.

13.2 Contributions under these terms and conditions will be determined based on the minimum level required to ensure that the project proceeds in the time-frame, scope and location proposed and that the project furthers the attainment of the stated program objectives and expected results. The assessment of the required level of assistance will take into consideration the total government assistance (federal, provincial and municipal assistance) towards the eligible costs supported by the contribution. This includes assistance such as all grants and contributions being considered, implicit subsidies, forgivable loans, investment tax credits and any other grant or contribution.

## **14.0 STACKING PROVISIONS**

- 14.1 Total federal, provincial, territorial, and municipal government funding of the eligible activities cannot exceed one hundred percent (100%) of the Eligible Costs to the Recipient to undertake these activities. If total AAFC funding from all sources exceeds 100% of Eligible Costs, the Recipient will be required to reduce the excess from the amount claimed for reimbursement under a AAI Contribution Agreement or repay any excess to Canada or both. Until repaid to Canada, the excess amount constitutes a debt to Canada.
- 14.2 All recipients of financial assistance will be required to inform the Minister of any other government (federal, provincial/territorial, municipal) financial assistance received or requested prior to the approval of the contributions. Furthermore, the contribution agreements will contain a continuing disclosure obligation (for the duration of the agreements) concerning other government assistance. Annual financial reporting shall show all sources of funding received.
- 14.3 Contribution Agreements will provide for the right of the Minister to reduce the contribution to the extent of any additional government assistance received by the recipient or require the recipient to repay the excess and the amount requested would constitute a debt due to the Crown and will be recovered as such. Failure to disclose the information on other government assistance would constitute a default. Interest charges, as defined in the Interest and Administrative Charges Regulations, will be applied to overdue amounts.

## **15 COMPLIANCE AUDIT**

The Recipient acknowledges that the Minister may conduct periodic audits of its compliance with the terms and conditions of this Agreement, including without restriction compliance with the financial provisions. The Minister may direct that an audit be carried out by an independent and accredited auditor or other representative appointed by the Minister. The Recipient shall cooperate with the Minister and his or her representatives, employees, or contractors relative to any such audit and shall grant them access to the Recipient's documents, accounts, records, and premises as required by the Minister or his or her representatives, employees, or contractors for purposes of any such audit. The Minister shall pay the costs of any audits undertaken pursuant to this clause.