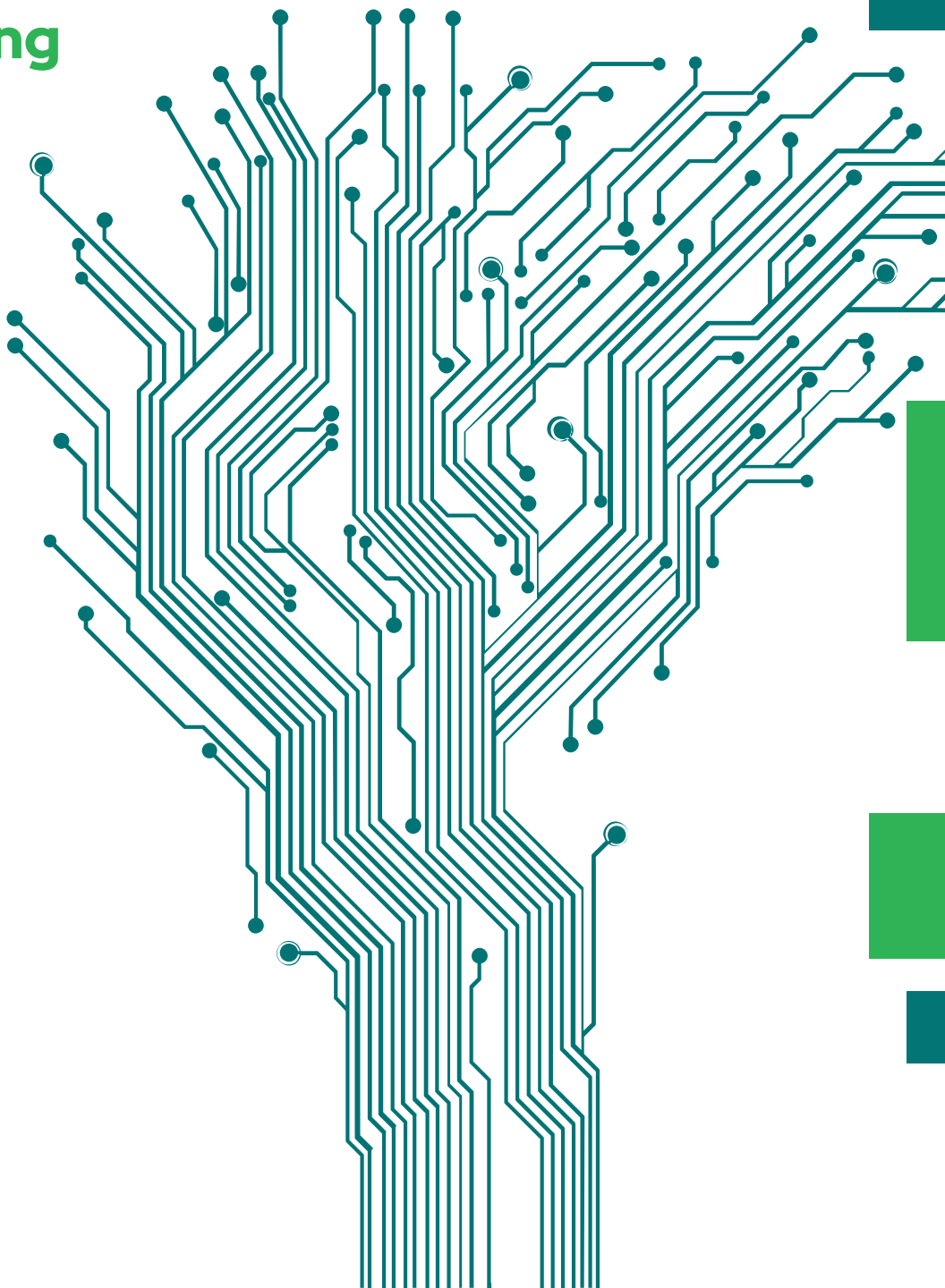




Program Guide

Capacity Building Program

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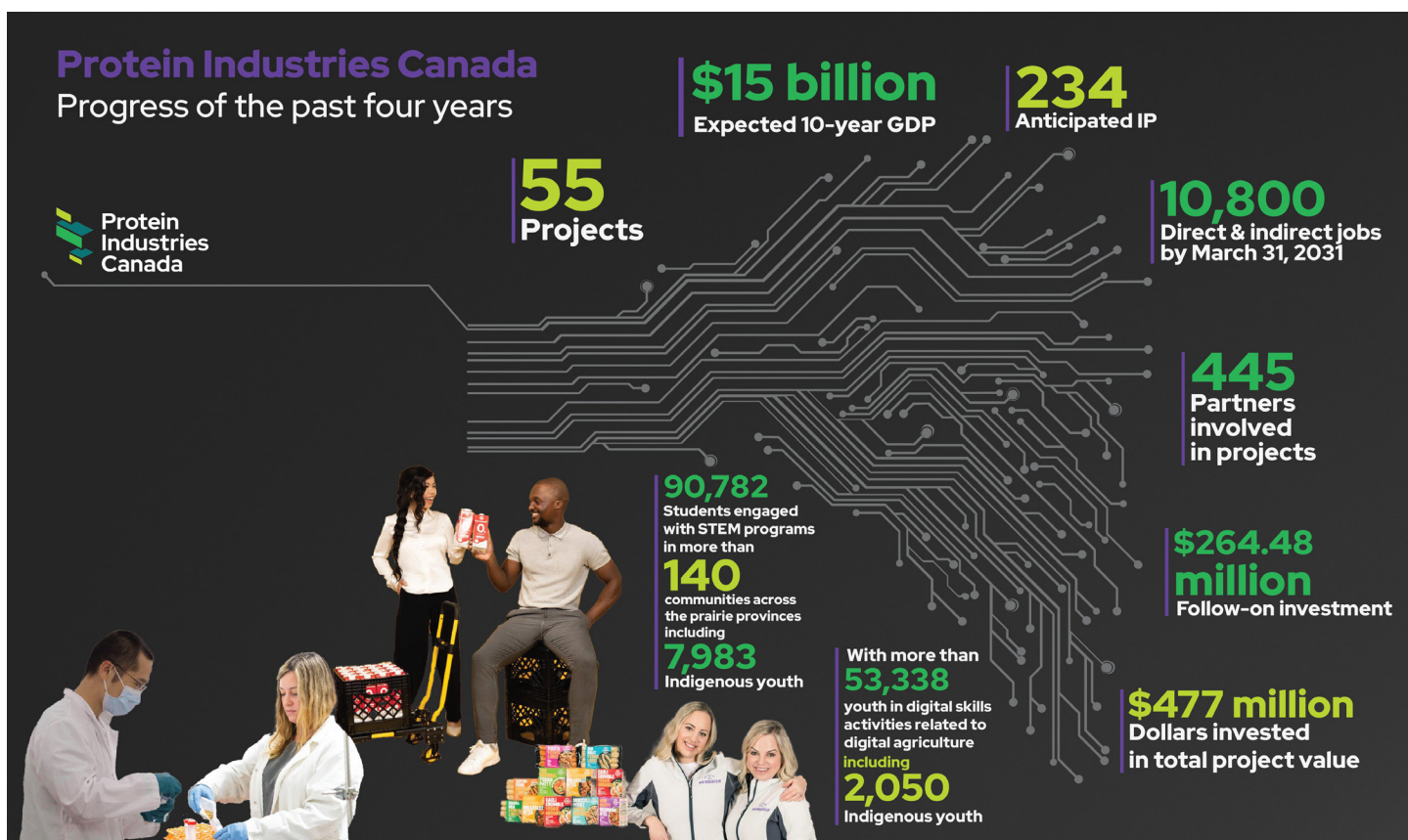
Introduction to the Capacity Building Program

About Protein Industries Canada

Protein Industries Canada is an industry-led, not-for-profit, value-chain organization created to position Canada as a global source of high-quality plant protein and plant-based co-products. Our vision is to position Canada as a leading global source of sustainable, high-quality plant protein and plant-based co-products, while substantially contributing to Canada's economic growth and international trade.

Our mission is to inspire innovation and support collaboration to transform Canada's agriculture and food processing sectors. Protein Industries Canada has a track record of working collaboratively with stakeholders to accelerate and commercialize transformative innovations in Canada's plant-based food, feed and ingredient ecosystem. Since 2019 Protein Industries Canada has:

- Funded 55 projects for a total project value of more than \$477 M.
- Leveraged more than \$300 M in investment through industry partners.
- Achieved \$264 M in follow-on investment in member companies.
- Supported the creation of an anticipated 234 new Intellectual Property Assets.
- Supported \$15 B in Canadian GDP impact in 10 years and the creation of an expected 10,800 direct and indirect jobs, based on 28 analyzed projects.



The Opportunity

The demand for plant-based food is increasing. Driven by a growing global population and an expanding middle-class, combined with consumers choosing plant-based foods for health, environmental and animal welfare reasons, it is expected that by 2035 the annual global market will be worth upwards of more than \$250 billion.

Canada has the potential to be – and is well on our way to becoming – a global leader in plant-based ingredients and finished food products. Building on our strength as an agricultural powerhouse we have the opportunity to turn this global demand into a long-term, sustainable economic driver for Canada. In fact, at Protein Industries Canada, we believe that by 2035 Canada's plant-based sector can contribute upwards of \$25 billion a year to Canada's economy, supported by 17,000 jobs.

In the first four years of operations, Protein Industries Canada demonstrated our ability to connect the ecosystem and catalyze innovation. With this renewed investment, Protein Industries Canada will build off the foundation of Fund I to achieve even more. We believe that by 2028, Protein Industries Canada will have facilitated the investment of more than \$2 billion into Canada's plant-based food and feed ecosystem and supported the creation of almost 1,500 new products and services, while reducing the GHG emissions associated with agricultural production and food processing.

Capacity Building Program Areas of Investment

At Protein Industries Canada our sights are set on building capacity within Canada's plant protein sector, in a way that delivers benefit to our members and the entire value chain. The Capacity Building Program is focused on advancing Canada's agrifood sector and creating a competitive and sustainable global business environment, while incenting new approaches to doing business and removing barriers to growth.

The Capacity Building Program brings together forward-thinking companies and organizations to develop projects that will transform our industry and help realize Canada's agrifood potential. Our ability to realize this potential depends on collaboration, and we are looking to work with partners who will help us advance our sector and are willing to do business differently, without duplicating existing efforts.

Protein Industries Canada has identified the following strategic priorities for the Capacity Building Program, which will contribute to the success of Canada's protein sector:

Market and Ecosystem Insights – Help project partners and the wider Canadian plant-based ecosystem identify marketing opportunities, adapt to customer needs, expand market reach, and foster innovation.

Innovation Infrastructure – Secure Canada as an agriculture production and processing powerhouse through focused investment into infrastructure along the value chain, from the lab to end market. This includes physical infrastructure, such as transportation, as well as infrastructure related to research capacity.

Access to Talent, Labour and Skills – Address the lack of labour and workers without the necessary skills to work in a rapidly changing and growing sector to positively influence Canada’s ability to realize our agrifood potential.

Supportive Regulatory Framework – Addressing immediate regulatory barriers while creating and implementing processes, addressing knowledge gaps that prevent regulations and policies from evolving with the sector, and maintaining the highest standards of safety.

An Inclusive Sector that Brings Benefit to Every Canadian – The inclusion of Indigenous communities and other under-represented populations is an important part of creating economic growth for Canada. There are many opportunities to create mutually beneficial relationships with Indigenous groups across Canada to help advance the plant-protein sector and encourage industry consortiums to include Indigenous leaders and businesses in all Capacity Building projects.

Access to Capital – Helping Canadian companies acquire the investment they need to help scale their companies, through both domestic and foreign investment sources.

Sustainability – Identify and utilize the right metrics and reporting to advance our sustainability claims throughout the value chain, further solidifying Canada’s reputation as a sustainable source of foods and ingredients.

Global Presence – Advance Canada as the preferred global business partner and investment opportunity, while creating opportunities for our industry members to make new connections with potential partners, suppliers and customers around the world.



In collaboration with industry, Protein Industries Canada will advance these priorities to ensure Canada is best positioned to fully realize Canada’s agrifood potential. Fulfilling this ambition requires doing business differently and leveraging Canada’s advantages – working together to remove barriers and capture opportunities.

To fulfill our objectives and deliver Capacity Building projects, Protein Industries Canada will rely on industry partners that are willing to work collaboratively to transform our sector. Protein Industries Canada is looking to invest in bold, transformational projects that will have a lasting impact on Canada’s plant-based food ecosystem, to drive growth without duplicating existing efforts.

Capacity Building Projects may be led by Protein Industries Canada or by ecosystem partners.

Turning Ideas into Projects

Protein Industries Canada will co-invest in collaborative consortia projects that leverage strengths, address gaps and develop innovations. All projects are expected to engage diverse and inclusive teams with meaningful participation of women, Indigenous Peoples and/or other under-represented groups.

The magnitude and proportion of Protein Industries Canada's contribution to an approved project will be determined by how, and the extent to which, the project outcomes are aligned with the priority areas and Global Innovation Cluster themes and the potential for ecosystem transformation.

Protein Industries Canada staff are available to support project consortia throughout the proposal development process.

Economic Reconciliation

Economic reconciliation is the process of addressing the economic disparities and injustices experienced by Indigenous Peoples. In alignment with the Federal Government of Canada, Protein Industries Canada recognizes that Indigenous self-government and laws are critical to Canada's future, and that Indigenous perspectives and rights must be incorporated in all aspects of this relationship. The implementation of the United Nations Declaration on the Rights of Indigenous Peoples requires transformative change in industry's relationship with Indigenous Peoples. The UN Declaration is a statement of the collective and individual rights that are necessary for the survival, dignity and well-being of Indigenous Peoples around the world, and, within the scope of the organization's mandate, Protein Industries Canada will take an active role in enabling these rights to be exercised. Protein Industries Canada will fulfill its commitment to implementing the UN Declaration through collaborative initiatives and actions. This approach aligns with the UN Declaration itself.

As part of Protein Industries Canada's role in striving for economic reconciliation, we will require all proposals to incorporate an aspect of economic reconciliation into proposal submissions. As there are many differences between proposals and organizations, the approach to economic reconciliation will also differ between proposals and organizations. We will work cooperatively with federal, provincial, local and other Indigenous governments to achieve meaningful outcomes from these undertakings. We recognize that differences may from time to time arise and will support and adhere to conflict resolution processes that Indigenous parties may establish for the purposes of resolving differences in good faith.

Some potential approaches can include, but are not limited to:

- Engaging with Indigenous communities and organizations to understand their priorities and needs related to economic reconciliation. This may involve consulting with Indigenous leaders, business owners and other stakeholders to gather input and ideas;
- Identifying specific areas where economic reconciliation can be addressed in the proposal. This may include investments in Indigenous-led businesses, support for Indigenous entrepreneurship or efforts to address the ongoing impacts of colonization on Indigenous economic development;
- Developing strategies and action plans to address the identified priorities and needs. This may involve creating partnerships with Indigenous organizations, identifying funding sources, and developing measurable goals and targets for success;

- Completing organizational training on Indigenous engagement and reconciliation;
- Implementing the strategies and action plans, with ongoing consultation and collaboration with Indigenous communities to ensure that the efforts are effective and aligned with their priorities; and/or
- Monitoring and evaluating the progress of the economic reconciliation efforts and adjusting as needed to ensure that they are successful and sustainable over the long term.

Resources related to Economic Reconciliation are [available on Protein Industries Canada's website](#).

Eligibility

For a project to be considered eligible for investment, it must:

1. Be submitted by at least one (1) Protein Industries Canada member, but we encourage the development of consortium of at least two (2) Protein Industries Canada members.
2. A consortium may include academic or research institution(s). This is not mandatory but is encouraged.
3. Each member of the consortium must contribute to the project in a meaningful way. This is generally through a financial commitment and activities in the workplan, but could also be providing IP or expertise, etc.
 - Protein Industries Canada's reimbursement rates for Capacity Building projects will be determined on a case-by-case basis, to a maximum of 75 per cent.
 - It will be up to the consortium members to determine the amount and nature of their respective contributions. The contribution of each consortium member does not need to be equal.
4. Partners must be Canadian organizations. Non-Canadian entities can participate in a consortium, based on approval by Protein Industries Canada.
5. The project must be aligned with the objectives of Protein Industries Canada and the Global Innovation Cluster initiative.
6. The initiative must be incremental to the regular business of the participating organizations, meaning that the project:
 - Is not approved nor in progress and that financial commitments to it are distinct from investments that would have otherwise occurred;
 - Would not be possible without the participation of consortium partners;
 - Is new or would not be undertaken at the same scope or scale without the co-investment provided by the Cluster.
7. All projects must have experienced and proven project management capabilities for complex, multi-party collaborative initiatives.
8. All Ultimate Recipients must be compliant with all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the Government of Canada.
9. The project cannot be a "designated project" or a "project" under the applicable federal environmental and impact assessment legislation.



Points to consider when you are building an eligible project under this program:

Problem Scoping/Business Goal determination

How does the scope align with the program's priority areas and Global Innovation Cluster themes? Is this work incremental to your organization's existing initiatives? Does the consortium have the skills necessary to support development and implementation?

Consortium Building

Who is in the consortium (eg. agrifood industry partners, plant protein ecosystem members, technology providers) and what are each of their roles? How do the consortium members benefit? Is the end user of the technology or product represented in the consortium?

Deliverables

How is the work proposed in the project captured in deliverables? How will the deliverables be made accessible to the ecosystem to provide a lasting benefit?

Financial Strength

What funding commitments have been secured to date and what is the level of interest from other funders? Do you have sufficient capital to support implementation or what is your plan to ensure longevity of the project outcomes?

Social and Environmental Benefits

Does your project have a quantifiable environmental benefit such as reduction in GHG emissions or contribution to a circular economy? Is there participation from or do benefits accrue to underrepresented and marginalized groups such as visible minorities, youth, women and Indigenous peoples?

Project Budget

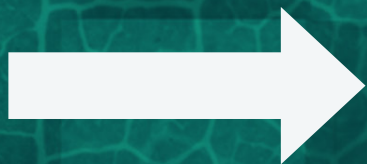
There is no set maximum that a project can receive, and Protein Industries Canada will reimburse reconciled eligible costs at a percentage that is determined based on the needs of each project. Projects can be submitted as multi-year projects, with the expected annual expenses broken down by year in the proposed budget.



The Application Process

The application process is made up of two parts:

Expression of Interest (EOI)



Full Project Proposal

Protein Industries Canada has staff to help guide you throughout the Project Application Process. This includes helping you understand if your project is eligible, identifying other potential partners you may want to work with, supporting development of the EOI, working through IP, data and commercialization strategies, and more. Our job is to help projects be successful.

The Expression of Interest (EOI)

Once you have reviewed the Project Eligibility Requirements, email projects@proteinsupercluster.ca to set up an introductory call. This call will introduce the application process, and candidate projects will be provided with the Expression of Interest template and instructions regarding how to complete it. Each project should only have one application and consortia members must work together.

Each consortium member will also need to fill out and sign a “Declaration As To Authorization and Compliance”. This document outlines each partner’s compliance with the Government of Canada’s sanctions and applicable Acts, and must be complete before moving forward to the second step in our application process.

The Project Proposal

Evaluation of EOIs may result in one of three outcomes:

1. an invitation may be sent for the consortium to proceed to a Full Project Proposal;
2. the EOI may be tabled for additional information¹; or
3. the EOI may be declined.

Once an EOI has been approved, it moves to a full Project Proposal. Successful applicants will be notified by email and will be invited to attend a proposal orientation meeting held via conference call. Project Proposal development will be collaborative between Consortia Members and Protein Industries Canada staff, and Protein Industries Canada will monitor progress regularly.

The Project Proposal may be submitted via email to projects@proteinsupercluster.ca.

Projects will be evaluated as they are submitted.

Proposals will be prepared using the provided Word and Excel templates. The Word template will not exceed 50 pages. Both parts of the application and an initial financial assessment must be completed for a project to be evaluated. The proposal will provide information in greater detail than the EOI.

¹ Requests for additional information may be related to project scope, workplan or other details, or to specific consortium members (ex: corporate information, financial assessments, etc).

Intellectual Property (IP) and Data Governance

Protein Industries Canada has always worked from the principle that IP is a strategic asset that enables organizations to meet their business objectives. Strategic protection of IP enables organizations to secure competitive advantages, and Protein Industries Canada works to ensure that foreground IP created with Cluster funding benefits Canada's agrifood industry and Canada as a whole.

Capacity Building Projects may generate deliverables in the form of IP, data or other proprietary materials. Protein Industries Canada staff will work with the consortium members to develop an IP Rationale and include such IP on the IP Registry. IP Rationales contemplate access to IP and describe how the project will enable diffusion and, if applicable, commercialization of IP.

The IP rationale template will be provided to consortium members as part of the project proposal document and will be excised from the proposal and submitted to Innovation, Science and Economic Development Canada (ISED) to meet Protein Industries Canada's IP reporting requirements.

However, it is also recognized that some capacity building projects will not generate commercially developed IP as such, and may be more focused on making data and results of the project available for use by the ecosystem in an open and transparent manner.

Scoring of Project Proposals

Review of Project Proposals submitted to Protein Industries Canada will be initiated within six weeks of receipt. Protein Industries Canada will work to review the projects as quickly as possible within the evaluation process, taking the time necessary to complete our due diligence. All projects are evaluated by the Project Selection Committee. Input from additional technical experts appropriate to the project may also be considered. Projects will be evaluated against criteria that align under three main areas: Ecosystem Development, Technical Merit and Commercial Application.

At no time prior to, during or following a project evaluation may a member of a consortium attempt to influence or have a conversation about their project with any member of the Project Selection Committee. Doing so may result in the project being disqualified. All members are expected to comply with the Code of Member Conduct and the [Project Selection Committee-Applicant Interaction Policy](#).

Project Approval

Once your project is approved, Protein Industries Canada will work with the members of the consortia to sign a Master Project Agreement (MPA). The MPA is the legal framework for the execution of the project amongst the consortium and will include detailed statements of work, budgets, project plans, IP, data and key milestones.

Prior to signing the MPA, Protein Industries Canada will ask every member of the consortium to complete a detailed financial assessment, which may include submitting the last two years of accountant-prepared financial statements and their current organizational structure. Additional information may also be requested to substantiate the Project Proposal. Once the MPA is signed, work can begin.



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