



Agriculture and
Agri-Food Canada

Agriculture et
Agroalimentaire Canada

N/L

Strategic Policy Branch

Direction générale des politiques stratégiques

Ottawa, Ontario
K1A 0C5

Ottawa (Ontario)
K1A 0C5

April 27, 2009

Dear *Colleague*;

Agriculture and Agri-Food Canada (AAFC) is pleased to inform you that the funding and program authority to implement the Enabling Research for Competitive Agriculture (ERCA) component of *Transforming Canada's Strengths into Domestic and Global Success* initiative was approved. AAFC is ready to move forward with the next steps in establishing five policy research networks.

Please find attached a *Call for Applications*, which outlines the background information and application process for networks, including a description of the evaluation and selection criteria.

ERCA will play a major role in increasing our capacity to deliver agricultural policy research by creating links between the policy research community, industry and the government in order to optimize benefits from research conducted by networks to all stakeholders. Involvement from the academic community will be crucial to its success.

I look forward to receiving your application and your ideas towards the development of networks.

Please send your applications on or before June 10th, 2009 to:

Tulay Yildirim
Director,
Economic and Industry Analysis Division,
Agriculture and Agri-Food Canada
930 Carling Ave., CEF
Ottawa, Ontario
K1A 0C5

Tel : (613) 759-1748
E-mail: tulay.yildirim@agr.gc.ca

Yours sincerely,

Tulay Yildirim



Growing Forward

CALL FOR APPLICATIONS
FOR ENABLING RESEARCH
FOR COMPETITIVE
AGRICULTURE

CALL FOR APPLICATIONS FOR ENABLING RESEARCH FOR COMPETITIVE AGRICULTURE

CONTEXT:

The Growing Forward (GF) policy framework is guided by the vision of a competitive and innovative agriculture, agri-food and agri-based products industry that seizes opportunities in responding to market demands and contributes to the health and well-being of Canadians.

The Enabling Research for Competitive Agriculture (ERCA) initiative is a component of “Transforming Canada’s Strengths into Domestic and Global Success” program that complements AAFC policy analysis and aims to contribute to a more informed policy dialogue by engaging the external policy research community on priority issues. The main objective is to inform the policy dialogue, industry groups and producers in understanding the changes in global markets, identifying new opportunities and ways to enhance productivity and competitiveness in order to improve their success in global and domestic markets.

ERCA also aims to improve collaboration between ERCA – funded groups and other AAFC initiatives, such as Agri-foresighting and Value Chain Round Tables (VCRT), in order to ensure better links between policy research, industry and policy development process.

ERCA’s research focus will be aligned with three GF priorities: A Competitive and Innovative Sector; Sector that Contributes to Society’s Priorities; and A Sector that is Proactive in Managing Risks. Eligible recipients of ERCA will include multidisciplinary and multi-institutional groups of experts in universities or non-governmental organizations (NGO’s) who establish “communities of experts” to undertake policy research.

AAFC has allocated up to \$200,000-250,000/year per Network (including all overhead charges) for a period of four years, which will be provided to the Networks through contribution agreements.

PROGRAM OBJECTIVES:

In this context, AAFC is launching a program to create five national multi-disciplinary agricultural policy research networks and seeking applications from interested parties.

The objective is to contribute to the sector’s competitiveness and innovation through policy research. This will directly contribute to the Transforming Canada’s Strengths into Domestic and Global Success objective of informing producers on changing global environments, new opportunities and ways to improve productivity and competitiveness.

The objective of a more competitive, innovative and profitable sector will be supported by:

- providing research results that can be used by industry groups and producers to assist them in identifying new opportunities, new markets and ways to enhance productivity, competitiveness and prosperity;
- enhancing public understanding of the role of agriculture in the food system and the overall economy;
- increasing benefits to farmers and industry by collaborating and linking research results to other departmental initiatives such as VCRTs, industry organizations and Agri-foresighting events;

- enhancing economic and policy research capacity on priority issues related to Growing Forward and beyond for the benefit of producers and the agri-food industry; and
- leveraging activities of international organizations to enhance policy research on Canadian policy priority issues in the global context through collaborative activities with major international multilateral organizations, of which Canada is a member, such as the OECD.

ERCA NETWORK PRIORITIES:

ERCA is part of AAFC's long term commitment to strengthening policy capacity. Over time, the selected policy areas are expected to evolve and change. Since the proposed areas of focus are cross-cutting in nature, there will be some overlap in the activities of the different networks. For the next four years, AAFC would like to focus on the following areas:

Innovation and Regulation

Purpose: To build capacity for policy research focused on analyzing and understanding the various facets of innovation, impediments to innovation, the impacts of innovation and the role of government in fostering an environment conducive to innovation.

More specifically:

- For effective policy development, it is crucial to understand the impacts of federal and provincial actions, or the absence thereof, on innovation, the jurisdictional dynamics that interfere with innovation and the range of policy instruments and their effectiveness in promoting basic research, innovation, commercialization and diffusion of innovation. Analysis of government policies, programs and regulations, at both the theoretical and empirical levels, would be useful to support the development and implementation of appropriate policies.
- The regulatory environment has been identified by stakeholders as a significant barrier to innovation, in particular, as a deterrent to investment in R&D as well as the commercialization of innovative new ideas/processes. Research to determine the optimal balance between fostering innovation and ensuring the health and safety of consumers would support progress to develop policy and regulatory frameworks to establish a more attractive regulatory environment while maintaining Canada's stringent health and safety standards.
- Theoretical and empirical research is required to help shape policy that will influence decision making from the farm level through the supply chain and measure its performance over time. As such, studies looking at decision making processes at the firm, industry and government levels, as well as their various interactions would be critical to understand how innovation or innovative thinking can be injected into the system.
- Measuring innovation and its impacts is still a challenge, and more research is needed on this subject, including but not restricted to, the impacts of innovation policies and programs on society, sectors and firms, including analysis of the impacts of scientific investments to various sectors and governments.
- Canada's performance in terms of scientific investments and output compares favorably to that of other OECD countries but the transformation of this science into innovation is less successful – theoretical and empirical research on the linkages between R&D, innovation, commercialization and profitability are of utmost interest. Specifically, issues of intellectual property management, technology transfer, impediments to innovation such as the availability of capital at various stages in the innovation process and the linkages and conditions necessary to take research results from laboratories to marketplace need to be better understood.

- The research capacities of the Canadian agricultural and agri-food industry are sometimes weak and fragmented. Analyses regarding issues such as business organizational and operational arrangements, institutions and their role in coordination and collective research actions would be informative. The role and importance of international agreements and standards on innovation may need to be addressed.
- Other issues of significance as identified by network members in collaboration with governments and industry.

Consumer and Market Demands

Purpose: To build capacity for analyzing issues around consumer and market demands for agriculture and agri-food products including the factors affecting demand, and the development and effectiveness of policies and regulations to address information asymmetry, consumer trust and consumer willingness to pay for food quality attributes.

More specifically, the focus of this network will be on:

- Developing data and analysis on major factors and trends affecting consumer and market demands for various agriculture and food products, including food from stores and away from home meals, both domestically and in international markets.
- Analyzing the factors, besides demographics and income, influencing changing consumer and market demands in domestic and international markets, for food with specific quality attributes such as organic, genetically-modified, special nutrition and health properties, pesticide and growth hormone-free, animal welfare and fair trade, among others, including consumers' willingness to pay for these attributes.
- Role of policies and tools, such as standards and regulations that address market failure and information asymmetry in food markets where consumers are demanding and the industry is marketing food quality attributes, such as health claims, organic certification, and labeling.
- Impacts of policies (tax, education, etc) and regulations that are being used to promote healthy eating and reduce obesity in the Canadian population
- Analyzing the response of national and multinational food processors and retailers to changing consumer demands; how much of the shift in demand for quality attributes reflects true consumer concerns, and how much reflects new product differentiation strategies by industry.
- Other issues of significance that are identified by network members in collaboration with governments and industry.

Structure and performance of agriculture and agri-products industry

Purpose: To build capacity to better understand the impacts of organization and structure of the agri-products industry on farm and firm level structure, performance and competitiveness of the agriculture and agri-products industry.

More specifically, the network will focus on:

- New business models, including vertical integration and coordination mechanisms and global supply chains that are emerging in response to the increasingly globalized nature of food industry. There is a need to understand the impacts these new business models have on farm and firm level structure, performance and competitiveness in the agriculture and agri-products industry.
- The analysis of drivers that result in continuous adjustment and structural change across the agri-products industry are key to understanding the factors affecting the competitiveness of the industry at farm and firm levels.
- Understanding the impacts of Growing Forward priorities on farm and firm level decision-making, performance and income. These priorities include building a profitable sector through more investment in innovation, action on key regulatory priorities, environment and food safety programs, and measures that enable farmers to be proactive in managing risk when faced with disasters.
- How farms integrate various management systems on the farm such as risk management, food safety and quality management systems, environmental planning and outcomes and the impact these have on the structure and performance of the farm.
- Understanding farm level performance, farm income issues and overall farm family well-being to enhance public policy and decision making given that farms in Canada have varied business intentions and are complex operations, which are continuously evolving as apart of agri-products industry.
- Other issues of significance that are identified by network members in collaboration with governments and industry.

Environment

Purpose: Canadians have increasing concerns about the impacts of agricultural production on the environment. The purpose of the Environment Policy Research Node would be to understand the economic and environmental impacts of agriculture and agricultural practices to the environment.

More specifically, this area of research will focus on the economic and environmental valuation of three thrusts:

- impacts of Beneficial Management Practices to agriculture and to the environment;
- impacts of climate change on the productivity and performance of the sector and on natural capital formation. Costs and benefits of various investment policies to enhance sector's resiliency (economically and environmental), and ability to adapt are also of significance and interest.
- development of agri-environmental indicators in order to enhance the knowledge on agriculture's impact to the environment, and to provide valuation metrics to evaluate mitigation, adaptation, and economic implications in the future.

From the study of these three thrusts, policy research could be developed to determine:

- the use of new or new combinations of flexible policy instruments to deal with increasing uncertainty and variability to agriculture and the environment;
- the development of new market instruments to create economic opportunities for the agricultural sector or to capture externalities that Canadians are willing to pay for. Some examples could include the development of

Ecological Goods and Services (public and private implications), Carbon Market development, Clean Water Provisions, etc.

- insights to cross-section of economic and environmental outcomes to inform the competitiveness of the sector, while meeting societal expectations and increasing opportunities in the future.

Trade Policy and Competitiveness

Purpose: To support research and analysis of all factors affecting trade in agricultural and agri-food commodities and services, including: multilateral, regional and bilateral agreements, preferential trade agreements, all forms of non-tariff measures, market promotion activities, global supply chains, foreign direct investment, changes in domestic policy (in Canada and elsewhere) and market conditions that may have impact on the competitiveness of the sector.

More specifically:

- The analysis of the impacts of export subsidies, market access restrictions and domestic support activities on trade in agricultural goods and services; the effects of multi-national governance bodies, such as the WTO and potential changes in the governance in agricultural trade; the effects of NAFTA and other regional trade agreements; the effects of unilateral policy change.
- The analysis of commercial interests in defining the rules and standards that affect trade; the analysis of multi-national, and international standard setting bodies (such as the Codex alimentarius) and other non-tariff measures and private industry standards; market promotion activities both funded by private and public sources; and effects on trade patterns of emerging supply chains..
- Analysis of the global supply chains and FDI, as components of integrative trade, and their impacts on trade in commodities and on farm and firm level competitiveness of the Canadian agriculture and agri-food sector.
- The integration of a Canadian perspective on international agricultural trade issues by facilitating the participation of Canadian researchers in international fora, particularly the International Agricultural Trade Research Consortium.
- Other issues of significance that are identified by network members in collaboration with governments and industry.

NETWORK CHARACTERISTICS:

These national networks will address, but transcend, regional concerns and priorities. The Networks will comprise multi – disciplinary policy researchers from academia and other research oriented organizations who will work in collaboration with identified partners and stakeholders on Canadian issues.

Networks are expected to produce high quality policy research, disseminate results and provide training opportunities for graduate students in their focus areas.

A Network leader will assume primary responsibility for the intellectual coordination of the team's activities and for administration of the Network's funding from AAFC. The Network members' institutions will be expected to provide general infrastructure support (e.g. office space, furniture, equipment) and access to resources and facilities (e.g. library, computing services, etc.).

PROPOSED ACTIVITIES:

The members of each community that are established by this initiative will:

1. Advance research on priority policy areas by:

- identifying key policy issues in collaboration with AAFC and industry participants for one of the five priority areas.
- exploring and investigating these issues in a multi-disciplinary context for the priority areas

2. Disseminate research results to different audiences by:

- organizing annual workshops and seminars. These fora, which will include participants from Federal/Provincial/Territorial (FPT) governments, stakeholders, industry and VCRT and will provide a forum for network researchers to report on their research, gain insights into other perspectives, discuss research gaps and priorities and to network with industry representatives and the policy community;
- participating in the activities of the Agri-foresighting Program, CAPI, OECD and other similar groups with the objective of disseminating research results and engaging in policy debate;
- publishing research results not only in professional journals but also in different formats for industry and general audiences.

3. Links to industry by conducting joint seminars or workshops or by participating in industry led events is key to the effectiveness of the program.

4. Contribute to policy capacity strengthening by:

- incorporating graduate student research into Network's work plans.
- investigating and implementing other means to strengthen policy capacity, such as 'Interchange Canada', that could be utilized for exchanging researchers between Universities and the Federal Government and a co-op program, which could be used to provide students with internship opportunities.
- sharing results with AAFC on regular basis.

AAFC DEPARTMENTAL STEERING COMMITTEE:

AAFC will set up a Committee of senior officials will serve as a focal point in the Department to improve linkages across various departmental initiatives, such as VCRT and Agri-foresighting, as well as linkages to other like organizations, such as CAPI and OECD

Committee's activities will aim specifically to:

- enhance collaboration across external research community, governments and the industry,
- ensure the use and integration of information and knowledge produced in the AAFC's policy development process by bringing together science, environment, policy and market perspectives,
- ensure the dissemination of research results and information to industry and FPT governments.

VALUE AND DURATION:

AAFC has allocated up to \$200,000-250,000/year per Network (including all overhead charges) for a period of four years, which will be provided to the Networks through contribution agreements. There will be one agreement per Network, which will be signed by a university and AAFC. The actual level of support for each Network will be commensurate with the proposed activities. However, the annual funding for the Networks could be increased or, with appropriate notification (12 months), reallocated or reduced as policy priorities change.

ELIGIBILITY FOR NETWORKS:

- Multi-disciplinary teams of policy researchers, consisting of a network leader and at least three or more researchers are eligible to apply to form a Network.
- Network members do not have to be affiliated with a University. Networks may include members who are pursuing postdoctoral research.
- Networks could include Canadians abroad or researchers from abroad as long as the focus of their research is on key Canadian policy issues.
- Applicants may propose linkages to organizations or groups with an international focus or to international groups based in Canada or abroad, as long as they are closely associated with the proposed activities of the Networks.

EVALUATION AND SELECTION PROCESS:

An external review panel will evaluate all applications against the selection criteria. This panel will make recommendations to AAFC - Departmental Steering Committee which will finalize the decision on selection and funding of the Networks.

Selection Criteria for Submissions:

All submissions will be evaluated at two levels: (A) Overall contribution of the submission to the program objectives; (B) Elements of the submission. An evaluation grid is provided in Annex 1.

(A) Contribution to Broad Program Objectives:

The degree to which the submission will contribute, through a well justified network approach, to GF priorities, to integration of research and policy perspectives on critical research questions, to dissemination of knowledge and to policy capacity building.

The submissions that are found satisfactory at this level will be assessed against the specific elements of the submission.

(B) Elements of the Submission

a. Policy Relevance:

The degree to which research outcomes from the Network's activities are likely to contribute to our understanding of emerging and future policy challenges and their impacts on Canadian agriculture and agri-food sector.

Applications must clearly demonstrate the potential contribution of the proposed activities to:

- the achievement of specified goals and anticipated outcomes,
- policy research and policy development in Canada
- industry competitiveness and performance,
- to policy development beyond GF.

b. Collaboration:

The degree and quality of collaboration will be evaluated on two criteria:

- **Membership:** Networks should include members from different disciplines with expertise not only from various academic organizations but include experts from other policy research organizations, wherever applicable; and
- **Partners:** AAFC encourages the participation of other public (Provincial and Territorial governments), private (industry) and non-profit organizations as partners. Partners are expected to take part in defining new research directions and in the application and communication of research results. Partners must designate one or more individuals as their liaison to the Networks. They may contribute in cash and/or in-kind to the activities of a particular Network. Examples of in-kind contributions may include access to facilities, staff time and data expertise.

c. Dissemination of Knowledge:

Proposed means and quality of transfer of information and research outcomes within and beyond the Networks, e.g. to the AAFC policy community, industry and provinces, by connecting the proposed Network to other departmental initiatives, such as Agri-foresighting and VCRT through joint events.

d. Expertise:

Collective experience and expertise of the group of applicants to carry out the proposed activities and deliver the anticipated outcomes of the network in question.

e. High Quality Research:

Each submission should include a peer review process for the respective Network's funding decisions in order to assure the quality of research and results.

f. Training Opportunities:

The number, nature and quality of training opportunities that the proposed program of research makes available to graduate students and new researchers.

g. Budget:

Appropriateness of the proposed budget in relation to the Network's activities and research objectives is essential. Eligible expenses are listed in Annex 2, and includes the reimbursement for up to 20% of the Network leader's time. Other wages and salaries do not qualify as eligible expenses.

APPLICATION PROCESS:

Applications for each Network should be done jointly by the University of the proposed Network leader and the members of the Network. They must be delivered on time and each application should include three components:

1. One from the University administration that agrees to become the "Recipient" of the funds for the Network (Annex 3),
2. One from the Network members on the proposed work, and
3. Short biographies of the key Network members.

The first part of the application from the "Recipient" University's administration should provide information on the way the University will administer the funds provided to the proposed Network, including the transfer of funds to the institutions of various Network members, graduate student funding and overhead charges, if any but not exceeding a total of 15 percent. Please indicate clearly that transfer of funds between institutions will not result in multiple overhead charges being deducted from funds.

The second part of the application from the Network members should focus on the proposed activities of the Network and outline the research program and direction. Submissions that exceed 10 pages (excluding bios for key research members) will not be considered. Based on the evaluation of the applications, the researchers with the application that meets the criteria will be invited to attend a workshop which will provide a more comprehensive context for the development of full research programs for the funding period and will form the basis for the funding agreements with AAFC.

Applications are due on or before June 10, 2009.

Please return your applications and address any questions about this program to:

Tulay Yildirim
Director,
Economic and Industry Analysis Division,
Agriculture and Agri-Food Canada
930 Carling Ave., CEF
Ottawa, Ontario
K1A 0C5

Tel : (613) 759-1748
e-mail: tulay.yildirim@agr.gc.ca

ANNEXES

1. Evaluation Grid
2. List of Eligible Expenses
3. Proposal from University Administration

ANNEX 1: Evaluation Grid

Mandatory Requirements	Meets Requirements			Assessment
<p>Contribution to Program Objectives:</p> <p>The degree to which a submission will contribute, through a well justified network approach, to one of AAFC's five eligible policy research areas, to policy development, to integration of research and policy perspectives on critical research questions, to dissemination of knowledge and to policy capacity building.</p>	<p>Satisfactory</p> <p>or</p> <p>Not satisfactory</p>			<p>Continue with Rated requirements</p> <p>Disqualify the application</p>
Point Rated Requirements	Min	Max	Rated	Assessment
<p>Policy Relevance:</p> <p>The degree to which research outcomes from the Network's activities are likely to contribute to our understanding of emerging and future policy challenges and their impacts on the Canadian agriculture and agri-food sector. Applications must clearly demonstrate the potential contribution of the proposed activities, in terms of quality of research, achievement of specified goals and anticipated outcomes, to policy research and policy development and to industry competitiveness in Canada. Relevance of the Network's activities to national research priorities, by addressing either issues of national interest or regional issues with demonstrable national ramifications is crucial.</p>	20	25		
<p>Dissemination of Knowledge:</p> <p>Proposed means and quality of transfer of information and research outcomes within and beyond the Networks to industry and governments.</p>	20	25		
<p>Expertise:</p> <p>Demonstrated experience and expertise of the applicants to carry out the proposed activities and deliver the anticipated outcomes.</p>	8	10		
<p>Collaboration:</p> <p>The degree and quality of collaboration will be evaluated on two elements: Membership: Networks should include multi-disciplinary members with expertise not only from various academic organizations but go beyond and include experts from outside academia, Partners: Participation of other public (Provincial and Territorial governments), private and non-profit organizations as partners.</p>	20	25		
<p>Training Opportunities:</p> <p>Number, nature and quality of training opportunities that the proposed program of research makes available to graduate students and new researchers.</p>	10	15		
TOTAL	78	100		

If there is more than one equally-rated application for a particular network, budget and the University overhead charges will be the determining factor in identifying the successful application.

ANNEX 2: List of Eligible Expenses

ELIGIBLE COSTS

"Eligible Costs" means costs reasonably Expended for Eligible Activities directly related to the Activities and Objectives:

1. Cost of goods and all related shipping or transportation costs.
2. Cost of services, such as salaries and benefits, specific per diem fees, or actual project or program disbursements.
3. Costs associated with recruiting qualified graduate students.
4. Hospitality and travel costs within Treasury Board Guidelines.
5. Other reasonable project costs and expenditures not excluded below.
6. Costs for consultants, and/or other contracted goods and services, such as salaries and benefits, specific per diem fees;
7. Costs of labour or salaried services and related employment costs;
8. Federal and provincial taxes, including the non-refundable portion of the Goods and Services Tax (GST), if any, paid by the Recipient;
9. Other expenses related to carrying out of the Work Plan including communications, dissemination and outreach (conferences, workshops, seminars, publications, web-site);

**ANNEX 3: Proposal from University Administration to enter into a
Contribution Agreement with AAFC for Agricultural Policy Research Networks**

The "Recipient" must provide the following:

1. A work plan outlining the proposed management of Network resources and funds.
2. An outline of the administration requirements of the Network and its funds including:
 - a. A detailed list of Network-specific administrative and overhead expenses;
 - b. The methodology of transferring funds to Network members (delivery agents); including graduate students
 - c. Network-specific travel expenses, in accordance with Treasury Board guidelines;
 - d. Audit costs;
 - e. A budgetary forecast;
 - f. Other resources, if applicable;
 - g. A list of milestones; and
 - h. A list of outcomes.
3. A Proposed Annual Report

Recipient organizations will be asked to provide AAFC with annual reports, prepared in collaboration with the Network leader, providing the following information:

- a. project reporting, frequency, a statement of the original objectives, planned activities and intended results, variance report and explanation for any changes/deletions made to the original work plan;
- b. performance measurement and assessment criteria for the results achieved and associated impacts as applicable;
- c. lessons learned, insights or comments related to the Network;
- d. identification of any follow-up action planned as a result of the Network's activities; and
- e. samples of all public information materials and related publicity, (i.e. magazines, videos, fact sheets, meeting handouts, press clippings etc.) paid for out of contributions.