

# CANNOR PROGRAM GUIDELINES

## IDEANorth

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### 1.0 ABOUT THIS DOCUMENT

This document provides potential recipients of CanNor's Inclusive Diversification and Economic Advancement in the North (IDEANORTH) program with information about the program, including:

- Program Description and Funding Streams
- Project and Proponent Eligibility Requirements & Eligible Expenditures
- Application Intake and Assessment Process
- Funding and Payment Methods
- CanNor Contact Information

### 2.0 PROGRAM OVERVIEW

#### **IDEANorth - Inclusive Diversification and Economic Advancement in the North**

IDEANORTH:

- Is administered by the Canadian Northern Economic Development Agency (CanNor), and promotes economic development in the North in order to strengthen territorial economies and increase economic participation by Northerners;
- Replaces the Strategic Investments in Northern Economic Development (SINED) program to better align, advance, encourage and support broader economic opportunities as well as the specific economic and business needs of each territory;
- Accepts project proposals through a combination of targeted calls for expressions of interest (EOIs) and a continuous intake process throughout the year;
- Allows for the use of both non-repayable and repayable Contribution Agreements, thereby expanding the funding mechanisms available to support the diverse needs of proponents.

#### 2.1 Expected Results

Expected results of the IDEANorth program include:

- Strong, stable territorial economy for the benefit of Northerners and all Canadians
- Increased economic development and diversification
- Partnerships established with Northern governments and organizations
- Increased capacity of Northerners to respond to economic development opportunities
- Expanded multi-user infrastructure that support economic development

#### 2.2 Program Streams

The IDEANorth program will be implemented through four program streams:

- **Stream 1: Sector & Capacity Development** - Foundational investments to advance territorial economic growth and sector development

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- **Stream 2: Business Scale-Up and Productivity** - Targeted investments to SMEs, start-ups and entrepreneurs to expand their businesses, accelerate business growth, and enhance productivity and competitiveness.
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- **Stream 3: Small Scale Economic Infrastructure** - Small-scale economic infrastructure development through construction of new or improvement of existing multi-user community infrastructure.
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- **Stream 4: Economic Infrastructure Studies (large scale)** - Advancing foundational economic infrastructure investments by supporting pre-construction readiness.

### **3.0 ELIGIBILITY**

#### **3.1 Eligible Recipients**

You can apply to IDEANorth if you are:

- A registered organization (Indigenous and non-Indigenous) including social enterprises, businesses, other levels of government and other non-federal entities, public or private, that have an interest in economic development in the North.

Priority will be given to applicants who can demonstrate proven capacity to deliver projects in the North and interest/engagement in territorial economic development.

#### **3.2 Eligible Initiatives and Projects**

Below are examples of eligible projects under each of the four funding streams:

##### **Stream 1: Sector & Capacity Development**

- Investments will promote economic growth, sector development and sector innovation. Examples of foundational investments to advance territorial sector development would include funding projects that are intended to enhance the scientific knowledge required to continue developing existing sectors of the territorial economy (e.g. mining) or emerging sectors (e.g. commercial fisheries, agriculture) for which basic scientific knowledge is insufficient and where the technical feasibility or the basis for commercial viability (e.g. developing the market for a fishery in an isolated community) is insufficiently understood in a Northern context.
- The development of new economic sectors also requires local capacity development (e.g. training) and these types of investments would be funded under this stream.
- Funding in the short-term will consider other federal and territorial funding initiatives.

Eligible projects/activities in this stream may include, but are not limited to:

- Research and planning, including development of sectoral strategies to guide investments.
- Building capacity of organizations through:

- Research (e.g., needs analysis) and expert support to build the capacity of organizations to increase economic participation by Northerners.
- Assisting applicants with the development or translation of training materials that support economic development.
- Developing certification standards, curriculum and materials.
- Providing support to northern industry organizations to strengthen their capacity to service members (other than core expenses).
- Providing support to communities, organizations and associations to deliver expert advice/training in the area of economic and business development (could include workshops, conferences, development of certification standards, curriculum and materials).
- Research, consultations, and investments complementary to initiatives for skill development of Northerners (e.g., gap or needs analysis, curriculum development, inventories of skills and services available in the North).

### **Stream 2: Business Scale-Up and Productivity**

- Investments that support businesses through projects related to business scale-up and productivity with a focus on areas of demonstration, technology adoption and productivity, adaptation, commercialization and market expansion and scale-up. Targeted investments will also support the research and development (R&D) of innovative products and/or services.

Eligible projects/activities in this stream may include, but are not limited to:

- Product commercialization, market development and expansion.
- Development of innovative products and services, including the development and adaptation of clean technologies.
- Assistance in establishing patents/standards/certification.
- Creation of technology clusters.
- Technology demonstration, adoption, adaptation and piloting of innovative products, services or processes that contribute to economic development.

### **Stream 3: Economic Infrastructure Construction (small scale)**

- Local economic growth will be enhanced through the construction and improvement of small-scale economic infrastructure (e.g., visitor centres, incubator space, fish-harvesting/processing infrastructure) that helps communities capitalize on economic opportunities.

Eligible projects/activities in this stream may include, but are not limited to:

- Providing support to communities, organizations and associations for the construction of, or expansion of, multi-user economic infrastructure.

### **Stream 4: Economic Infrastructure Studies (large scale)**

- To address foundational infrastructure gaps, large-scale economic infrastructure critical to economic development (e.g., road, ports, telecommunication, and electrical grids) will be supported for pre-construction readiness (e.g., feasibility studies, engineering work, architectural drawings).

Eligible projects/activities in this stream may include, but are not limited to:

- Planning, pre-feasibility and feasibility studies.
- Geotechnical and other engineering designs and studies.

### **3.3 Eligible Expenditures**

Eligible expenditures may include, but are not limited to:

- Professional fees, such as technical, environmental, legal, project management and business services.
- Incremental salaries and benefits directly attributable to the project.
- Space and equipment rentals or purchases.
- Project feasibility studies.
- Research fees such as surveys, data acquisition and research studies.
- Capital purchases/acquisitions (e.g. information technology, signage, machinery and equipment, renovations or upgrades, buildings and engineering works).
- Travel, including meals and accommodations.
- Shipping costs.
- Translation Services.

### **3.4 Ineligible Expenditures**

Ineligible expenditures include, but are not limited to:

- Economic development costs that would be incurred in the absence of IDEANorth.
- Payment for services that would normally be provided without charge.
- Costs of direct skills training or education courses for individuals, of the sort normally offered through learning institutions or apprenticeship programs.
- Wage subsidies for persons receiving training through course work or on the job.
- Core expenses.
- Recoverable taxes (i.e., GST).

## **4.0 INTAKE AND ASSESSMENT**

### **4.1 Application Intake Process**

CanNor will accept project proposals through a combination of targeted calls for expressions of interest (EOIs) and a continuous intake process throughout the year.

Program funds are delivered on a project-by-project basis across the North. Project EOIs and Applications are accepted on an ongoing basis via email at [cannor.operations.cannor@canada.ca](mailto:cannor.operations.cannor@canada.ca).

### **4.2 Assessment Criteria and Selection Process**

In addition to the eligibility criteria set out in **Section 3. Eligibility** of this document, the following weighted assessment criteria will be used to rank proposals:

<b>IDEANorth – Project Assessment Criteria</b>	
<b>Assessment Criteria</b>	<b>Weight</b>
<p><b>1. Economic Benefit and Impact</b> – <i>This includes elements such as:</i></p> <ul style="list-style-type: none"> <li>- <i>the degree to which the proposed project will generate economic benefits / impact at the local, territorial or national level, and the types of benefits generated (new product development, wealth generation, market development/expansion, job creation, enhanced capacity).</i></li> <li>- <i>the degree to which the proposed project is filling a specific need / economic opportunity, and the evidence supporting it.</i></li> <li>- <i>the relativity between the size of the project and its expected impact / result.</i></li> </ul>	<b>35%</b>
<p><b>2. Alignment with Program and Government Priorities</b> – <i>The degree to which the proposed project aligns with IDEANORTH and Government of Canada priorities (Innovation, Economic Growth and Diversification, etc), as well as identified priority groups (Indigenous Peoples, Women, Youth, etc.) and territorial and local priorities.</i></p>	<b>20%</b>
<p><b>3. Organizational Capacity</b> – <i>The degree to which the proponent has demonstrated the capacity to undertake the project and achieve the expected results based on an assessment of its previous relationship with CanNor, makeup of the project team, projects partners, and organizational / governance structure</i></p>	<b>15%</b>
<p><b>4. Budget</b> – <i>The degree to which the proposed budget is reasonable given the proposed outcomes and provides good value for money, taking into consideration elements such as the financial contribution from the proponent and its partner(s), as applicable.</i></p>	<b>15%</b>
<p><b>5. Work Plan</b> – <i>The degree to which the proposal provides a clear description of each activity (are they specific, measurable, realistic and relevant) with clearly established and feasible timelines.</i></p>	<b>15%</b>

The project assessment will consider all other sources of funding available to the recipient, including total government assistance (federal, provincial / territorial and municipal assistance) towards the eligible costs supported by the contribution. This includes all grants and contributions, subsidies and rebates, forgivable loans, investment tax credits and any other grant or contribution.

Consideration will also be given to projects respecting the Federal, Territorial, and Indigenous roles and responsibilities for economic development; and ensuring investments will not place ongoing pressure on the federal fiscal envelope.

## **5.0 FUNDING**

### **5.1 Funding to Recipients**

Funding to eligible recipients will be project-based and in alignment with the funding streams and eligibility criteria of the IDEANorth program. Multi-year applications, approvals and funding arrangements are encouraged, where possible, to reduce red tape for recipients and to foster longer term and more complex economic development projects.

CanNor may not make a contribution in respect of eligible costs for which an eligible recipient has entered into a legal commitment prior to approval of the project.

CanNor shall not make a contribution toward the costs of any consultant or other qualified professional that is not at arm's length from the recipient. Where the cost is in excess of \$25,000, a competitive process shall be used by proponents to select qualified professionals and/or a rationale shall be provided to warrant the exception.

**5.2 Cost Sharing**

Cost sharing is required under IDEANorth. The maximum CanNor contribution to eligible project costs will be as follows:

<b>Cost Sharing Ratio</b>	
<b>Not-for-Profit organizations, other levels of government, and Indigenous economic development organizations</b>	<b>For-Profit or Small Medium-Sized Enterprises (SME) Recipients</b>
up to 80%	up to 50%

Priority may be given to projects that provide a higher leveraging ratio (i.e., where proponents are seeking a lower contribution from CanNor towards total project costs).

For-Profit recipients will also be expected to provide a certain percentage of their own equity towards the project.

**5.3 Stacking Limits**

In addition to cost sharing constraints established by CanNor above, the following Government of Canada staking limits must be adhered to:

The maximum level (stacking limit) of total government assistance (federal, provincial, territorial, and municipal assistance for the same eligible costs) for this program shall not exceed the following limits:

- (a) For projects undertaken by not-for-profit organizations, other levels of government, and Indigenous economic development organizations, the maximum level of total government assistance is 100% of eligible costs.
- (b) For projects undertaken by for-profit businesses and where the total government assistance is less than \$100,000, the maximum level of total government assistance is 75% of eligible costs.

CanNor reserves the right to reduce the maximum level (stacking limit) of total government assistance as circumstances warrant.

All recipients of financial assistance under IDEANorth will be required to inform CanNor of financial assistance received or expected to be received from any government (federal, provincial/territorial, municipal) or other sources prior to the approval of the contribution.

The maximum federal contribution will include any funding sourced from the Gas Tax Fund. Provisions for repayment shall be included in the funding agreements.

#### **5.4 Maximum Funding**

The amount of funding is determined based on a review and consideration of the project proposal, taking into account the relevance of the proposal to these guidelines as well as the objectives, expected results and specific criteria of IDEANorth.

- The maximum contribution an eligible recipient can receive for a project under IDEANorth is \$6 million.
- Contributions made to for-profit entities will be repayable to CanNor. Low value contributions may be exempt from repayment under certain circumstances.

Indigenous economic development corporations or other Indigenous-controlled for-profit businesses (whose articles of incorporation do not permit dividends to be paid or distributed to shareholders) may be exempt from repayment to CanNor.

#### **6.0 PAYMENTS**

Funding will be administered and paid according to the specific contribution agreement between CanNor and the recipient, which will identify the conditions of the assistance, the obligations of both parties and the conditions under which payment will be made.

Payments will be made based on one of the following:

1. Documented claims for eligible expenditures incurred and paid.
2. The achievement of pre-determined performance expectations or milestones.
3. Where advance payments of a contribution are essential to the achievement of objectives, and are specifically provided for in the funding agreement and are based on the recipient's cash flow requirements.

Claims for payments will be certified by officials designated by the Minister as per the requirements of the *Financial Administration Act*.

Where payments are made based on pre-determined performance expectations or milestones, or advances are made based on recipient cash flows, a final accounting of all project expenditures will be required.

A holdback portion of any payment will occur when deemed appropriate based on the risk of non-performance or overpayment.

For simplifying the administration of contributions, CanNor may make individual payments that represent a higher percentage sharing ratio than that authorized for the total contribution, provided that the overall sharing ratio calculated on the total eligible costs of the project does not exceed the maximum sharing ratios authorized.

CanNor has no obligation to pay more than 90% of any contribution prior to completion of the project and of any audits that may be required.

## **7.0. MONITORING AND REPORTING**

The level of detail in reporting required from the recipient of a contribution will be aligned with the risk of the project and may include schedules, plans, and reports in sufficient detail to enable CanNor to:

- Assess the progress of the project.
- Assess the financial status of the project / recipient.
- Carry out the post-completion monitoring called for in the funding arrangement.
- Administer the repayment of the contribution where applicable.
- Evaluate the effectiveness of the contribution.
- Report on specific key performance indicators, as outlined in the funding agreement.
- If reporting is provided to CanNor past the agreed upon due dates, recipients may be considered in default of the agreement.

Reporting requirements will be determined by CanNor for each project or initiative. Progress and financial reports will be required from recipients, at a minimum, on an annual basis. Recipients will also be required to submit a final report at the conclusion of a project, in accordance with the terms of the funding arrangement, for review and acceptance by CanNor.

CanNor will gather periodic information regarding the progress of the initiative against the milestones proposed in the application and to identify unanticipated risks or impediments to achieving intended results.

The evaluation process or criteria to be used to assess the effectiveness of the project may include but is not limited to; the rationale, success, cost-effectiveness, design and delivery, the results achieved and the nature of impacts resulting from the implementation of the project.

Recipients will be required to report on IDEANorth performance indicators as part of the reporting process.

Recipient contribution agreements will contain applicable directive on: audit provisions, Official Languages, Intellectual Property, Public Acknowledgement and Recognition of CanNor or Government of Canada contributions.

## **8.0 CANNOR CONTACT INFORMATION**

For more information about CanNor programs, please contact CanNor Headquarters at [cannor.operations.cannor@canada.ca](mailto:cannor.operations.cannor@canada.ca) or the regional office nearest you:



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