



## Program Guidelines

### Innovative Shellfish Handling Program (ISH)

#### BC Salmon Restoration and Innovation Fund

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**Disclaimer:**

These guidelines provide the criteria for assessing applications to the Innovative Shellfish Handling program and the process of applying for the contribution. The guidelines are approved and issued in accordance with BCSRIF for the purposes of insuring clarity on the aims and requirements of the program, the Project Management Committee reserves the right to amend these guidelines as it deems appropriate. Furthermore, the Project Management Committee has the right to, in its sole discretion; provide rulings on the interpretation of these guidelines, in instances where guidelines see not to be specific, revised guidelines will be published on the BCSGA website and will be of immediate effect upon publication on the website.

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## **Abbreviations/Acronyms**

**ISH - Innovative Shellfish Handling Program**

**BCSRIF - British Columbia Salmon Restoration and Innovation Fund**

**BCSGA - British Columbia Shellfish Growers Association**

**PMC - Project Management Committee**

**DFO - Department of Fisheries and Oceans**

**MAFF - Ministry of Agriculture, Forestry and Fisheries**

**TC – Transport Canada**

**FLNRORD – Forests Lands Natural Resources and Rural Development**

**HAP - Harmonized Provincial / Federal Aquaculture Application**

## **1. Introduction**

This document is designed as a guide to assist applicants when completing the ISH application form for project / technologies. Important information in this document includes contact information of who can assist in applying (section 2); what the objective of the program is (section 3.1) - these are key considerations in evaluating the application; a list of eligible projects (section 5.2); how the applications will be scored (section 7); important dates and deadlines (section 11); how the grants will be disbursed (section 13); and important documents to complete the application (section 14). Although these sections highlight the important points, we still advise that the applicant ensure they read and understand all aspects of this entire document.

- 1.1. The purpose of this document is to detail the policy and guidelines for the Innovative Shellfish Handling Program (ISH).
- 1.2. The guidelines set out in this document are intended to enable growers to present their applications to BCSGA and provide a framework for BCSGA to evaluate such applications against.
- 1.3. Granting of the contribution or approval of the application will only be for applicants that meet the objectives of the ISH as set out by these guidelines.
- 1.4. The guidelines may be amended from time-to-time, as deemed necessary by the Project Management Committee (PMC). These amendments will be published on the website and will be of immediate effect upon publication thereof.
- 1.5. Where guidelines lend themselves to varying interpretations or do not deal with specific subject matter, the interpretation of the BCSGA must be requested, and such interpretation will be decisive and final and may, from time-to-time, be published on the BCSGA website.
- 1.6. It is the responsibility of the applicant to ensure that the application submitted is accurate and complete.
- 1.7. Approval of applications will be subject to the availability of funds and compliance with guidelines and relevant provisions.

## **2. Services delivered by BCSGA**

- 2.1. Applicants are welcome to contact BCSGA directly for guidance on how to complete the application or claim forms.
  - 2.1.1. Nico Prins (Project Manager: ISH) - [nico@bcsga.ca](mailto:nico@bcsga.ca) 250-207-4117
  - 2.1.2. Malcolm Cowan (Assistant Project Manager: ISH) - [malcolm@bcsga.ca](mailto:malcolm@bcsga.ca) 250-207-4110

### 3. Program Description

- 3.1. The objective of the ISH is to stimulate investment by growers in the BC shellfish aquaculture industry to increase competitiveness by:
  - facilitating the fastest growth
  - increasing profitability
  - increasing productivity
  - increasing operational efficiency
- 3.2. The contribution is provided directly to approved applications for new, upgrading or expansion projects. Expansions should demonstrate an increase in production capacity.
- 3.3. The ISH offers a contribution of \$2,085,736.00 over the following three fiscal years (\$465,538 in year 1, \$810,099.00 in year 2 and \$810,099.00 in year 3). The maximum total ISH contribution per applicant across the sum of qualifying projects is \$300,000.00.
- 3.4. These ISH guidelines are effective from 3<sup>rd</sup> September 2021.

### 4. Project Specific Definitions

- 4.1. Operations: This includes, but is not limited to, any process associated with seed production, grow-out, and processing of farmed shellfish.
- 4.2. Productivity: The effectiveness of productive effort as measured by the unit output per unit input for any process in shellfish aquaculture operations.
- 4.3. Innovation: The practical implementation of ideas that result in the introduction of new goods or services or the improvement in offering goods or services.
- 4.4. Industry Wide Benefit:

#### **Direct Industry Wide Benefits:**

Direct benefits are those that have clear and quantifiable increases in productivity and / or growth for other industry partners. For example:

- Novel seed production technologies that reduce the current cost of seed or introduce seed production for a new species.
- Community scale projects that are accessible or directly beneficial to the production cycle for a wide number of local farmers.
- Value added processing or packaging services that increase the value of products that are available to many growers.

#### **Indirect Industry Wide Benefits:**

Indirect benefits are those that do not directly or immediately increase the production and growth of other industry members. The effects of these projects are less easily quantifiable but there must be an opportunity to substantiate the industry wide benefit through qualitative reporting and engagement with industry members. This could include any technology in

which educating industry members would be impactful on the growth, productivity, or direction for the future or shellfish aquaculture in BC. For example:

- Technical reports with statistics on productivity or efficiency improvements
- Training and education offered to other industry members
- Site or technology tours
- Collaboration between various industry members

## **5. Qualifying Projects**

- 5.1. Projects that qualify for the ISH, as described in 3.2, and are aligned with objectives of the ISH, as described in section 3.1, are eligible to apply. This includes any project that improves the productivity, profitability and growth of the BC shellfish industry.
- 5.2. Example of eligible projects, include, but are not limited to:
  - 5.2.1. Machinery, equipment, and tools (Seed graders, sorters, tumblers, defoulers etc.)
  - 5.2.2. Culture infrastructure (grow-out and husbandry systems etc.)
  - 5.2.3. Competitiveness improvement activities (such as those that could increase growth or mitigate mortality)
  - 5.2.4. Value added services (including marketing and packaging)

## **6. Eligibility Criteria**

### **The applicant must:**

- 6.1. Be a registered legal entity, incorporated or unincorporated, (business, corporation, partnership or sole proprietor) in British Columbia in terms of the following legislative requirements:
  - 6.1.1. The Canada Business Corporations Act (CBCA)
  - 6.1.2. Income Tax Act (ITA) and the federal Excise Tax Act (ETA)
- 6.2. Be compliant with applicable and relevant aquaculture legislative requirements at the claim lodgement of the application:
  - 6.2.1. Health of Animals Act
  - 6.2.2. Food and Drugs Act
  - 6.2.3. Species at Risk Act
  - 6.2.4. Fisheries Act
  - 6.2.5. BC Land Act
  - 6.2.6. Canadian Navigable Waters Act
- 6.3. Have all authorizations in place for the proposed equipment or infrastructure outlined in the ISH application.

- 6.4. Submit appropriate Harmonized Provincial / Federal Aquaculture Amendment Application (HAP) if proposing anything on the approved Shellfish Management Plan. Marine Shellfish, or Freshwater / Land-based Aquaculture HAPs are available on [FrontCounter BC website](#). HAPs must be submitted as early as possible to ensure that authorizations are issued within the ISH program timeline. More information on the HAP below in section 7.
- 6.5. If the application is for an amendment to a shellfish hatchery the applicant would need to consider Pacific freshwater / land-based aquaculture applications and guide as well.

## 7. Harmonized Process for Aquaculture Applications

DFO, Transport Canada and the BC Ministry of Forests, Lands, Natural Resource Operations and Rural Development work collaboratively to review applications to operate an aquaculture facility in B.C. A harmonized application form includes the information requirements for all three agencies to conduct their review. FrontCounter BC is the single point of contact for receiving all aquaculture applications.

Applications are reviewed by the federal-provincial Project Review Team for completeness and consistency with federal and provincial policy prior to being accepted and processed.

- 7.1. **Fisheries and Oceans Canada (DFO)** is responsible for managing all fisheries, including aquaculture and wild fish stocks, and potential impacts on the marine environment including habitat. DFO is responsible for regulating, monitoring and licensing finfish and shellfish aquaculture operations in B.C., both in fresh and marine waters.
- 7.2. **Transport Canada's** Navigation Protection Program is responsible for administering the Navigation Protection Act through review and authorization for the placement of aquaculture containment and/or structures (works) within the navigable waters of Canada. The nature and degree of interference to navigation of the project is evaluated, and if an authorization is issued, any impacts are mitigated through terms, conditions and compliance measures.
- 7.3. The British Columbia **Ministry of Forests, Lands, Natural Resource Operations and Rural Development** is responsible for managing Crown land, including the issuance of land tenures for aquaculture. This includes tenures for aquaculture facilities and ancillary uses on land covered by water, upland and foreshore. The Ministry is also responsible for managing and licensing the wild harvest and culture of aquatic plants.  
The BC Ministry of Agriculture supports marine fisheries, aquaculture and seafood industry development, and issues licences under the Fish and Seafood

Act and Fish and Seafood Licensing Regulation for certain activities in the seafood industry (e.g., receiving fish, processing fish, etc.).

## 8. Evaluation Criteria

- 8.1. To qualify for an ISH contribution the application must be financially and technically viable in terms of, but not limited to, production scale, technical skills, technology, species, access to markets, and authorisations.
- 8.2. Adjudication of all factors will consider the context of the applicant's operation and the project cost as described by the applicant in the ISH application form. Each of the six questions in section 8.3 below will be scored 0 - 4 and will be weighted based on the percentages beside each category and question based on their ability in increased innovation, the reviewer's sense of project viability and the degree the project would increase productivity.
- 0 – Incomplete
  - 1 – Low
  - 2 – Medium
  - 3 – High
  - 4 – Very High
- 8.3. Factors adjudicated:
- 8.3.1. **Innovation (25%):** This is the implementation of a new idea / technology that assists the applicant in optimizing or improving their operations to become more profitable and / or efficient.
- 12.5%: How innovative is this project?
- 12.5%: Does the technology support a strategic plan for the long-term growth and development of the applicant's operation?
- 8.3.2. **Project Viability (25%):** The objectives and productivity gains of the technologies can be realized as described in the application by the 31<sup>st</sup> March 2022.
- 12.5%: Does the scale, scope, and history of the applicant's operations demonstrate that they are able to carry out the project within the timeline?
- 12.5%: Has the applicant demonstrated that they have done their due diligence and included sufficient details on their planned finances, function, and usage of the technology?
- 8.3.3. **Productivity (50%):** The effectiveness of productive effort as measured by the unit output per unit input for any process in shellfish aquaculture operations.
- 37.5%: How large and measurable will the effect of this technology be on increasing productivity and profitability of their operation?
- 12.5%: Is the described project plan thorough and realistic including a complete project timeline for visible increase in operator's productivity and growth associated with the technology?



- 8.4. Final decisions of applicant success will be dependent on the strength of other applications received and funds available.
- 8.5. Projects seeking an ISH incentive for more than \$99,999.99 must have broad industry wide benefits and will be adjudicated on a Pass or Fail basis. These projects must clearly demonstrate that the scope and influence of the project is widespread across the BC shellfish aquaculture industry and that the project and / or technology is new to BC. This should be demonstrated by letters of support from industry members and a strategic plan and timeline to roll out broad industry wide benefits to members as described in section 4.4 above.
- 8.6. If a project that is seeking more than \$99,999.99 (based on a 50% contribution) is ultimately approved but does not adequately demonstrate industry wide benefits, then an ISH incentive cost sharing agreement of \$99,999.99 will be offered to the applicant.

## **9. Maximum Available ISH Incentive Calculation**

- 9.1. There is no limit on project size, however the total program funding available to any single applicant is \$300,000.00 for the sum of projects accepted in the ISH across all years.
- 9.2. The ISH contribution will cover a maximum of 50% of the costs for all successful applications. The percentage contribution could be less than 50% when, for example, projects exceed \$600,000.00.
- 9.3. For an application where the incentive contribution is in excess of \$99,999.99 applicants would need to show industry wide benefit.

## **10. Non-Qualifying Applicant Contributions**

- 10.1. For the purposes of this program certain categories of costs are considered to be non-eligible. These may include, but are not necessarily restricted to, items such as:
  - 10.1.1. the cost of land and goodwill
  - 10.1.2. cost allocation for the use of existing space owned by the applicant
  - 10.1.3. fixed period costs (for example, recurring costs such as property taxes, rentals and a reasonable provision for depreciation)
  - 10.1.4. entertainment expenses and first-class airfare
  - 10.1.5. insurance
  - 10.1.6. dues and other membership fees
  - 10.1.7. severance pay, cash-out of unused vacation, bonuses, overtime premium for salaried employees and commissions
  - 10.1.8. interest costs, bond discounts, and other financing costs
  - 10.1.9. any costs, such as amortization that would not necessitate an expenditure of cash by the applicant and

10.1.10. honorariums, gifts, and stipends

## **11. Exclusions and Limitations**

- 11.1. Applicants receiving financial grant support from other government source(s) for the same projects as those for which assistance is sought from ISH will be excluded.

## **12. Application for the Contribution**

- 12.1. The applicant must submit a fully completed official application form before the end of a submission round.
  - 12.1.1. The first round of submissions will be accepted from September 3<sup>rd</sup> 2021 to October 8<sup>th</sup> 2021.
  - 12.1.2. If funds remain a second round of submissions will be made available and communicated.
  - 12.1.3. The first submission rounds for the 2022/2023 and 2023/2024 fiscal years are expected to begin in April.
- 12.2. Applicants are encouraged to seek feedback on their application from the BCSGA a minimum of 10 business days prior to the end of a submission round, or anytime between submission rounds.
- 12.3. Any applications received after this deadline may be considered in the following fiscal year of the program except in the final year of this incentive program.

## **13. Decision Review Process**

- 13.1. All applications will be scored and ranked based on the adjudicating criteria as outlined in section 8 of this document.
- 13.2. The adjudication committee for the ISH applications will be established by the PMC.
- 13.3. Each member of the ISH adjudication committee is required to complete a Disclosure of Conflicts of Interest Form.
- 13.4. The adjudication committee is committed to transparent, fair, and unbiased communication and adjudication of all ISH components and will act in the best interest of the shellfish aquaculture industry and the objectives of the ISH.
- 13.5. Strategies to minimize bias in the adjudicating committee scores may include but are not limited to randomization of application review order, blinding, score normalization, and removal of outliers.

## **14. Incentive Payment / Disbursement**

- 14.1. The contribution will be disbursed as two payments. 80% of the contribution will be disbursed when the applicant shows sufficient proof that the funds have been spent (if approved project is \$10,000.00 the applicant contributes \$5,000.00 and the program contributes \$5,000.00 distributed as \$4,000.00 showing proof of project expense and \$1,000.00 upon satisfying reporting requirements). The balance will be payable, and may require inspection by the project team, upon the successful completion of the project. Projects that span more than one fiscal year will have the disbursement schedule specified in a project contract. All disbursements will be subject to the approved applicant meeting all the requirements of the project contract funding agreement.

## **15. Claims Submission**

- 15.1. To claim for the ISH contribution the applicant must submit the following documents to BCSGA:
- 15.1.1. A completed original ISH claim form duly signed by the applicant or authorised person.
  - 15.1.2. All invoices, purchase orders, proof of expenditure, or quotations pertaining to the application.
  - 15.1.3. An official ISH invoice reconciliation sheet.
  - 15.1.4. Detailed itemised list(s) of total assets for the application
- 15.2. To enable quick and correct processing of the incentive the applicant should provide complete and accurate information to BCSGA.
- 15.3. For a successful applicant to receive their ISH incentive, the applicant's payment for goods and other expenses claimed must be made by the 31st March of each fiscal.

## **16. Additional Legal Conditions**

- 16.1. It is considered a circumvention of the ISH guidelines, and will lead to rejection of the application if, at the discretion of BCSGA, the applicant changes, among other things, the applicant's business set-up, composition, structure, operations, or processes to allow the splitting of an application into different applications.

## **17. Monitoring and Evaluation Reporting**

- 17.1. Approved applicants may be required to submit performance reports during the period of the project as well as after the project funding period as and when required by BCSGA.

- 17.2. Projects accepted on the basis of the industry wide benefit will have reporting requirements specified in a project contract.
- 17.3. Exact timelines, requirements and obligations will be specified in the project contract with each successful applicant.