

Island Prosperity A Focus for Change



Innovation PEI Pilot and Discovery Fund Program Guidelines

Introduction:

The Innovation PEI Pilot and Discovery Fund is designed to support early stage proof-of-concept projects that will lead to the development of new products, services or processes in the strategic sectors: bioscience (including agriculture and fisheries), information technology, renewable energy and aerospace. Applicants must demonstrate the ability to meet project timelines, budget, milestones and display a high level of innovation within project activities.

The Innovation PEI Pilot and Discovery Fund will provide grants of up to \$25,000 to cover eligible expenses associated with testing an innovative idea. A peer review committee will be formed to evaluate the applications. Applications should express the degree of difficulty in completing the project as well as innovative aspects behind their product. Projects that have a high level of risk but whose success will lead to strong economic development within PEI will be given preference.

Eligible Proponents:

Proponents must:

- Be from the private sector, public sector, industry associations, or academia (provincial government departments, agencies, or crown corporations are not eligible to be primary applicants).
- Reside or be incorporated in Prince Edward Island.
- Demonstrate capacity to meet project outcomes as evidenced through appropriate experience, education and training, or partnerships.
- Be majority owners of their business or lead researchers on their project.

Eligible Projects:

Proposed Project must:

- Involve early stage development of a product, service, or process and testing said development.
- Demonstrate a high level of innovation.
- Fit clearly within the bioscience (including agriculture and fisheries), information technology, aerospace, renewable energy sectors.
- Include a project plan that identifies expected outcomes, deliverables, timelines and milestones.
- Produce a project budget:
 - Describe all eligible expenses for the duration of the project,
 - Identify potential funding sources and provide proof of any confirmed funding sources.
- Accurately describe the commercial viability and market potential of proposed product.
- Disclose and address any potential ethical considerations regarding use of human subjects, potential impact on the environment, etc.
- Outline the potential gain (or use) of any intellectual or material property protected by copyright or patents.
- Disclose partnerships with Island institutions/corporations relevant to the proposed project.
- Outline the utilization of products/services produced on PEI.
- Describe the economic impact the project will have on the Province (jobs, economic spin-offs, etc.).

NOTE: Projects are typically up to 12 months in duration, however applicants will be allowed up to 36 months to accommodate those projects which require longer pilot stages. In these special cases, the project will not be eligible for further funding through IPS programs until the project is completed.

Eligible Activities:

Eligible activities may include (but are not limited to):

- Initial technical demonstration
- Intellectual property development/protection
- Nutritional/Compositional analysis
- Prototype development and testing
- Product and process development

Other Considerations for Eligibility:

- Applications should not be dependent on an existing or ongoing project. If a project is cost-shared with another organization, the applicant should ensure compliance with all funding sources when establishing budgetary requirements for the project.
- Applicants who have received previous provincial government funding are eligible; however, the proponent will have to provide additional information to ensure project activities and results are clearly differentiated.
- Applicants are allowed to submit one application for each round of funding.
- Applicants in arrears with any Government Department or Crown Corporation will be disqualified.

Project Assessment:

Applications under the Innovation PEI Pilot and Discovery Fund will be evaluated against a clear set of program criteria using information contained in the proponent's submitted application. Each proposal will be

evaluated by the Program Officer before the peer review committee is formed. Projects that are deemed ineligible for further evaluation will be removed from the competition. Written notification of this withdrawal will be forwarded to the applicant(s). Applications moving to the second stage of the review process will be evaluated through a peer review process. If, during the review process, a change to corporate structure or confirmation of a partner or financial contributor occurs, Innovation PEI may agree to accept additional documents or information after the due date. This determination will be made by Innovation PEI.

Level of Assistance:

Approved projects will be eligible for up to \$25,000 in funding for expenses directly tied to the approved project. Eligible expenses include salaries, direct material, sub-contracting services, equipment costs of up to \$5000, in-kind expenses, and indirect costs of up to 20% of direct costs. Ineligible costs include insurance, phone lines, internet charges, goodwill, property tax, and other taxes (these lists are not exhaustive). Total project funding will not exceed 50% of total project costs.

Performance Monitoring:

For each approved project, a letter of offer stating the terms and conditions of approval will be forwarded to the applicant or corporate contact. When accepted, the letter of offer shall constitute a contract between government and the applicant(s).

Funding will be provided to successful applicants in installments. One third of the approved funding will be provided upon signed confirmation of the terms and conditions of the agreement as represented in the letter of offer. The balance of the approved funding will be paid as project milestones are reached and appropriate documentation is provided as stipulated in the letter of offer. Innovation PEI will be responsible for the administration of the letters of offer and distribution of the funds to successful applicants.

Should the project fail to comply with the terms and conditions of the contract or be discontinued, government may at its sole discretion:

- Declare the applicant to be in non-performance (default) of the contract.
- Request the applicant to repay in full the incentive received.
- Take necessary legal action to collect the incentive amount in full with interest.

Intake Deadline:

The intake deadline for full applications will be **November 10th, 2010 at 5:00 p.m.** Applications will not be accepted after the due date and extensions will not be considered.

For More Information:

Applications and instructions are available online at www.islandprosperity.com or can be obtained by contacting our office.

For specific questions or inquiries regarding the program, please contact:

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