

GOVERNMENT OF NEWFOUNDLAND AND LABRADOR

# Innovation and Business Development Fund Applicant Guide

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DEPARTMENT OF INDUSTRY, ENERGY & TECHNOLOGY

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## **I. General**

This guide is intended to assist you with the development of your project proposal to the Innovation and Business Development Fund (IBDF). Applicants should become familiar with the objectives, target areas for investment, eligibility and assessment criteria prior to developing a proposal. Please review the IBDF Guidelines for more information. A detailed proposal (using this or a similar format) and completed application are both required.

IBDF is focused on investments to grow Newfoundland and Labrador's oil and gas supply and service capabilities, including opportunities to diversify capacities in other energy sectors.

The Department of Industry, Energy & Technology is administering the fund, ensuring coordination with the programs of the Innovation and Business Investment Corporation

### **Program Objective**

The IBDF is a key mechanism to facilitate the necessary collaboration, investment, and industry growth required to position Newfoundland and Labrador globally as a preferred location for energy development.

The key objectives of the fund include:

- Facilitate energy sector supply chain collaboration;
- Expanding local supply, export and diversification opportunities;
- Attracting inward investment in areas where there are gaps in innovation, technology and supply chain capabilities and is not duplicating other funding programs;
- Improving energy sector competitiveness by reducing costs related to exploration, development, and operations; and,
- Contributing to long-term job creation and economic growth in Newfoundland and Labrador.

### **Eligible Applicants**

- Non-commercial: industry associations, business development organizations, indigenous organizations, post-secondary education institutions and other support groups in Newfoundland and Labrador involved in energy.
- Commercial: registered businesses, primarily small-and-medium sized enterprises (SMEs), with operations in Newfoundland and Labrador.

## **Eligible Activities**

- Labour costs may include incremental wages and salaries, including new technical, supply chain or market development expertise required for the project to proceed and not available through other programs.
- Other operating costs may include strategic initiatives in support of supply chain opportunities, industry-wide promotion of capabilities, export readiness and market entry strategies, commercial development and demonstration of emerging technologies, and other direct costs specific to the project.
- Capital costs may include specialized equipment, building renovations, and purpose-built supply and service infrastructure.
- Any costs incurred prior to application are not eligible. Specific costs such as proposal development and administrative support are ineligible. Other costs may be deemed ineligible upon project assessment.

## **Financial Assistance**

IBDF funding will normally not exceed 50 per cent as a non-repayable contribution. The level of support will vary from project to project. Clients are encouraged to consult program delivery staff during development of a proposal. Other Provincial Government funding **is ineligible** as project financing (i.e., no duplication of provincial funding sources will be permitted).

Multi-year commitments may be considered based on the business case for the investment and are subject to the available budget and additional approval requirements.

## **II. Proposal Requirements**

It is important to note that, depending on the complexity and nature of your specific project proposal, some sections may be more relevant than others. Please contact an IET office in your region prior to developing a proposal.

### **Proposal Format**

The proposal format should include the following:

#### **Title Page**

The proposal's title page should contain the following information:

- project title (subtitle if necessary);
- name and address of the applicant;
- name of department (IET) to which the IBDF proposal is being submitted; and

- date of submission.

### **Executive Summary**

The Executive Summary should provide concise overview of the IBDF project proposal. It should contain the following information:

- brief summary of the purpose and objectives of the project;
- identification of the innovation and business development need or opportunity;
- relevance to the energy sector;
- description of how the project will be implemented and timeline;
- brief outline of the anticipated innovation and business development impacts of the project (company specific vs. industry-wide) and economic benefits (local, regional, and/or province wide);
- brief description of the management abilities of the applicant; and,
- summary of project costs, other sources of funding and financing request to the IBDF.

### **Table of Contents**

This is particularly helpful with larger documents, including page numbers for each section.

### **Introduction**

The introduction should contain:

- overview of the applicant;
- description of the proposed project; and
- relevant background and historical context.

### **Purpose and Objectives**

This section should provide a clear picture of the overall purpose of the project, including the innovation and business development objectives of the project. It should clearly demonstrate the need or opportunity, including a description of the intended outcomes and benchmarks to evaluate the success of the project upon completion. The applicant should:

- demonstrate there is a need or opportunity to advance innovation and business development;
- list the specific objectives of the project; and
- provide a strong rationale for IBDF support.

## **Description of Proposed Project**

This will be the more detailed section of your proposal. It should include the following:

- a well-defined and detailed description of the innovation and business development opportunity;
- a detailed description of all aspects of the project, including major activities, timelines, and the financial and human resources required to complete the project:
  - major activities,
  - the methodology to be employed,
  - detailed work plan with key milestones identified (e.g., Gantt chart or other visual representation that demonstrates a well-planned project schedule),
  - specific technology or other capital requirements, ○ project team members, roles and responsibilities, ○ any partner, consultant or other external expertise required, and ○ any other requirements;
- qualitative and quantitative information on the impact of the project on innovation , business development and/or industry diversification (e.g., integration of renewables):
  - new lines of business,
  - increased employment, sales, export readiness, inward investment, joint ventures, industry competitiveness, and
  - any business, industry-wide and economic impacts at the local, community or regional level;
- evidence of market pull (i.e., identified industry need, operator-supplier supply chain collaboration, industry letters of support, contracts, industry joint ventures, and other commercial agreements);
- Identify any relevant municipal or environmental regulatory requirements; and
- Identify any linkages to other departmental, government-wide technology or industry development strategies.

## **Project Management**

This section must clearly demonstrate the ability of the applicant to manage the project as well as anticipated opportunities resulting from the project. A demonstrated track record of project management is required. The proposal should include information on the following:

- background history on the company, or organization;

- current organizational and management structure;
- other successful projects completed to date;
- organization and management of the project initiative, including skills and experience of key management personnel assigned to the project; and
- establish an evaluation framework (benchmarks) to show the success of the project will be assessed in meeting its objectives.

### **Budget/Financial**

This section must clearly identify all costs and sources of financing. The applicant must demonstrate the viability/sustainability of the project through to completion and implementation of the results.

Proponents are expected to consider all other non-provincial funding sources, including private equity, industry, federal and other external sources. Financial leverage will be a factor in the assessment of all applications. The following financial information is required:

- a strong rationale for IBDF funding (i.e., required for the project to proceed, identified funding gap, no other available source of funding);
- funding leveraged from the private sector, federal and/or other external sources.
- detailed project costs (labour, capital vs. operating costs) and other financing (confirmation of other financing is required prior to approval);
- existing vs. incremental labour costs should be identified (note: incremental labour costs are defined as new technical, supply chain or market development expertise required for the project to proceed and not available through other programs);
- the source and amount of funding committed to the project to date, if applicable (note: costs incurred prior to project application are ineligible for IBDF support);
- cashflow projections specific to the project, including any detailed financial notes and assumptions (commercial projects only); and
- the status of all non-IBDF funding sources.

### **Appendices**

A list of appendices and the required documentation should be included, if applicable:

- the applicant's latest financial statements (commercial projects only);
- qualifications/resumes of key project management personnel;
- letters of support (financial and non-financial);
- financial projections (commercial projects only);

- cost estimates for the purchase of specialized equipment, building renovations, and purposebuilt supply and service infrastructure;
- any information or resource materials referenced in the proposal;
- copies of required permits, licenses and/or environmental approvals;
- copies of relevant contracts and agreements; and
- copies of any detailed design work, engineering or other studies that support the proposal.