

INNOVATION AND BUSINESS DEVELOPMENT FUND

Objectives:

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:

- Facilitating 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;
- 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.

Target Areas for Investment

To achieve these objectives, target areas for investment include:

1. **Business Development** - facilitate energy sector supply chain collaboration, map and promote Newfoundland and Labrador's supply and service capabilities, identify local gaps and life-of-field opportunities, leverage export opportunities, integrate renewable energy technologies and/or solutions, and/or pivot from oil and gas operations towards renewable energy sources.
2. **Emerging Technologies** - strengthen capabilities in emerging technologies that lower costs and improve operating performance.
3. **Industry Diversification** - support business growth and diversification through start-ups, manufacturing for export, port and supply base infrastructure for oil and gas, renewables, and other industries.

Eligibility and Assessment Criteria

The following summarizes the eligibility and assessment criteria to be used in evaluating projects and administering the fund in support of innovation and business development in the energy sector.

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 projects.
- Commercial: Registered businesses, primarily small-and-medium sized enterprises (SMEs), with operations in Newfoundland and Labrador.

Level of Support

- Project 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.

Eligible Costs

- 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.

Assessment Criteria

- Identified gap in project financing.
- Leverages funding from the private sector, federal and/or other external sources.
- Track record in project management (i.e., client capability to manage on the project).
- Defined project outcomes.
- Demonstrates a strong business case for support from the fund such as:
 - Evidence of market pull (i.e. identified industry need, industry partnering, and supply chain collaboration).
 - Increases supply and service capacity in support of exploration, development and operations, or integration of renewables.
 - Impact on innovation, business development and/or industry diversification (i.e. increased employment, sales, export readiness, inward investment, joint ventures, industry competitiveness, and other potential business, industry-wide and economic impacts).
- Applicants must meet relevant municipal or environmental regulatory requirements

Results

Project outcomes will be monitored in relation to contractual reporting requirements.