

Innovation and Business Development Fund

The Innovation and Business Development Fund is focused on investments to grow and diversify Newfoundland and Labrador's oil and gas supply and service capabilities. The fund supports The Way Forward on Oil and Gas - Advance 2030: A Plan for Growth in the Newfoundland and Labrador Oil and Gas Industry: gov.nl.ca/nr/advance30/pdf/Oil_Gas_Sector_FINAL_online.pdf

The departments of Natural Resources and Tourism, Culture, Industry and Innovation are co-administering the fund, ensuring coordination with the programs of the Innovation and Business Investment Corporation.

The Way Forward
on Oil and Gas

Objectives

The Innovation and Business Development Fund 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 oil and gas development. The key objectives of the fund include:

- facilitate oil and gas supply chain collaboration;
- expand local supply, export and diversification opportunities;
- attract inward investment in areas where there are gaps in innovation, technology and supply chain capabilities and is not duplicating other funding programs;
- improve oil and gas industry competitiveness by reducing costs related to exploration, development, and operations; and,
- contribute 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 oil and gas industry collaboration, map and promote Newfoundland and Labrador’s supply and service capabilities, identify local gaps, and life-of-field supply opportunities, and leverage export opportunities.
- 2** Emerging technologies – strengthen oil and gas supply and service capabilities in emerging technologies including: digitalization, subsea tiebacks, and other innovative technologies to lower costs and improve operating performance.
- 3** Industry diversification – leveraging core oil and gas capabilities to support business growth and diversification through start-ups, manufacturing for export, and port and supply base infrastructure for deepwater projects, natural 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 oil and gas sector.

Applicants

- Non-commercial: industry associations, business development organizations, post-secondary education institutions and other support groups in Newfoundland and Labrador involved in oil and gas 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
 - Evidence of market pull (i.e. identified oil and gas industry need, industry partnering, and supply chain collaboration).
 - Increases supply and service capacity in support of oil and gas exploration, development and operations, or integration of renewables.
 - Impact on innovation, business development and/or oil and gas 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 be able to meet relevant municipal or environmental regulatory requirements.

Results

- Project outcomes will be monitored with contractual reporting requirements.

For more information please contact:
Department of Natural Resources
nenabundo@gov.nl.ca
Department of Tourism, Culture, Industry and Innovation
TCII@gov.nl.ca or 1-800-563-2299

