

# **HNL Learn and Lead Webinar Series**

## **IBRD Funding Programs**

**October 30th, 2013**

**Department of Innovation, Business and Rural Development**

# Department Background

## The Department

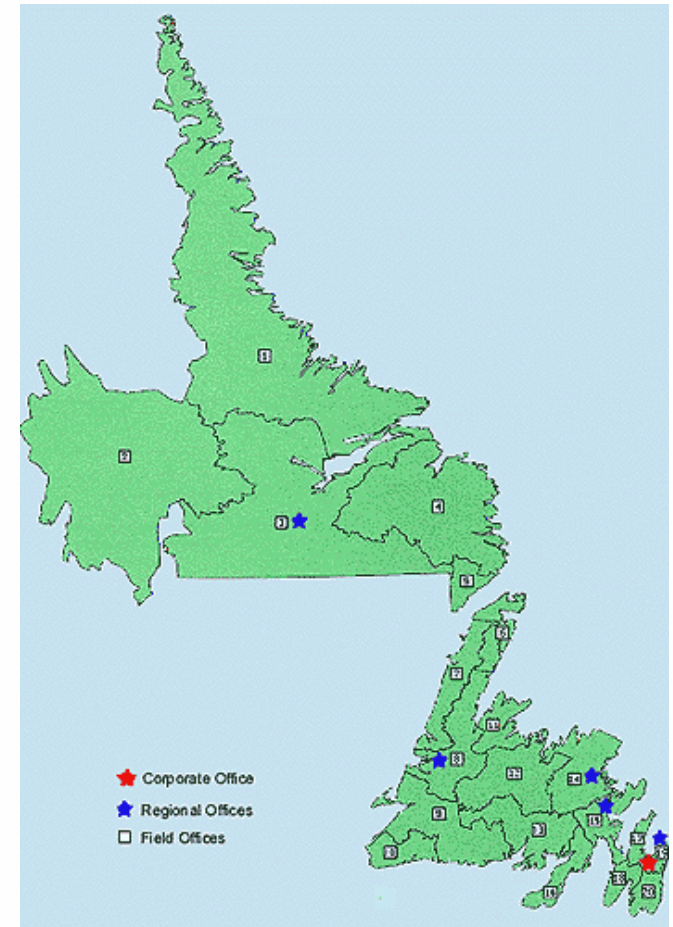
- IBRD is the lead agency for economic development.

## Vision

- A vibrant, diverse and sustainable economy with productive and prosperous regions throughout the province.

## Locations

- Corporate office in St. John's
- Portfolio Management in Marystown
- 5 Regional offices
- 17 Field offices



- **Reduce 21 funding programs to two straightforward and more easily marketed umbrella funds:**
- **Business Investment Fund (Commercial)**
  - **Business Development Support (Grants)**
  - **Business Investment Support (Loans/Equity)**
  - **Investment Attraction (FDI - Loans/Equity)**
- **Regional Development Fund (Non-Commercial)**
  - **Regional Development**
  - **Partnership and Community Capacity Building**

## Intended for NL indigenous and emerging companies

- **Low Interest (3%) Flexible Repayable Loans.**
  - The fund will permit investments in the form of:
    - Term loans (\$500,000 per government fiscal year); and,
    - Equity investments (\$500,000 per project, maximum aggregate of \$1 million is available).

Eligible activities of this program are focused in  
4 components:

- Productivity improvement;
  - Knowledge/Skills development;
  - Market development; and,
  - Professional technical assistance.
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- Projects will be funded up to maximum of 50% of total eligible costs.
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- Projects will be funded up to a maximum non-repayable contribution of \$100K per year based on eligible costs of \$200K.

- **To assist SMEs with opportunities to increase their productivity and improve their competitiveness.**
- **The program supports SMEs who demonstrate a desire to develop and grow by improving the operations of the business, investing in its people and focusing on trade opportunities.**
- **IBRD assistance will be targeted towards businesses in strategic sectors that normally focus on export markets and/or provide import substitution.**

- The eligible activities of this program are focused in 4 areas:
- Productivity Improvements;
- Knowledge / Skills Development;
- Market Development; and,
- Professional Technical Assistance.

## Purpose

- The productivity improvements component will support activities that improve business competitiveness by increasing their efficiency and capacity.
- Activities related to product and process improvements, technology transfer, technology adoption including investment in machinery, equipment and software may be supported under this component.



# Eligible Activities for Productivity Improvements may include:

- Introduction, modification or replacement of technology (including machinery, equipment and software) that provides significant benefit to a business's operational processes, production or quality.
- Technology transfer including transferring skills, knowledge, technologies and methods of manufacturing to assist in improving the productivity of a business.
  - Activities may include technical training, travel and professional expertise related to the transfer of technology.
- Introducing technology and processes to help promote a green business.
  - Activities may include but not limited to introducing a more efficient waste management and recycling processes within an operation, energy management and efficiency improvements.
- Other activities related to improving the overall productivity and competitiveness of a SME shall be considered.

## Purpose

- **The skill development component will support activities that help SMEs enhance capacity, retain and develop its employees to help improve the competitiveness of the business.**
- **Assistance to SMEs who focus on improving the capacity of the company by investing in the skills enhancement of existing employees and the overall management leadership including marketing and financial skills will be the emphasis of this component.**

# Workplace Skills Enhancement Program (WSEP)

- To help businesses in strategic sectors train employees to improve productivity and/or global competitiveness.
- Normally up to 75% non-repayable contribution to eligible costs to an average of \$10K per relatively low-skilled employee.
- Eligible activities
- Eligible costs
- Eligible participants

## **Purpose:**

- **The market development component will support activities that address the issues and challenges businesses face in all aspects of market development from developing a marketing plan to penetrating new markets.**
- **Through this program, Government can provide assistance to a business to implement its marketing plan in areas of research, market investigation, advertising and promotion which is incremental to existing marketing activities.**

# Eligible Activities for Market Development may include:

- Development of a marketing plan if warranted in the development of the applicant's export marketing activities.
- Completion of market opportunity investigation, market research and intelligence studies and new market entry strategies.
- Developing marketing tools incremental to existing marketing activities to help support advertising and promotion.
- Participation in in-bound buyers missions or reverse trade missions aimed at developing international markets.
- Business-to-business travel engagements (incremental) that support market development and expansion.
- Network development activities designed to create export focused business networks. This may include seminars, round tables, training and the services of professional facilitators and consultants.
- Opportunity to demonstrate new, innovative products, services and technologies in a public sector setting.
  - If a business is seeking assistance to engage in a demonstration project, and the project is deemed suitable, IBRD will provide assistance in identifying and securing a public sector participant.

## **Purpose:**

- **The professional technical assistance component supports businesses to hire professionals for business advisory services not identified under productivity improvements, knowledge / skills development and market development components.**

# Eligible Applicants

- **SME having fewer than 100 employees and less than \$10M in sales.**
- **Sole proprietor, partnership, corporation, co-operative or business network.**
- **Operate in a strategic sector as defined by IBRD.**
- **Demonstrate its ability to access the financial capital required to complete the project.**
- **Demonstrate its ability (managerial and financial) to undertake the work identified in the project proposal.**
- **Be in good standing with the Province.**
- **Retailers and distributors participating in the Craft, Gift and Apparel strategic sector may be considered for funding.**
- **Competitive impact is of concern when financial support could potentially assist a business to gain market share from other local companies.**

## Participate in a strategic sector as defined by IBRD:

- Advanced Technologies
- Aerospace and Defense
- Agri-foods and F&B
- Aquaculture
- Biotechnology and Life Sciences
- Craft, Gift and Apparel
- Energy
- Environmental Industries
- Fishery excluding fish harvesting and primary processing
- Forest Products
- Information and Communications Technology
- Manufacturing
- Marine and Ocean Technology
- Mineral Resources
- Tourism and Cultural Industries



- **Non-repayable contribution to a maximum of \$100K per SME per Government's fiscal year based on \$200K of eligible project costs.**
- **The contribution level will be based on 50% of eligible costs, with the business identifying their access to the remaining 50% of eligible costs to complete the project.**
  - **A term loan from IBRD may be considered an eligible source of funds.**
- **IBRD's maximum contribution can be for one or multiple projects; however, IBRD reserves the right to limit the number of applications by one business if it has not identified a strategic approach to its requests.**

- **The program will cover two (2) individuals directly employed by the SME per project.**
- **For the purposes of productivity improvements component where the business has to bring in expertise for technology transfer and/or technical training a maximum of two individuals will be covered and must be directly associated with the delivery of the project.**
- **Economy airfare to and from destination.**
- **Economy car rental and fuel.**
- **Bus, train and taxi fares.**
- **Hotel accommodations for the duration of the travel.**
- **North American per diem rates for meals and incidentals based on Provincial Government rates.**
- **International per diem rates for meals and incidentals based on Federal Government rates.**
- **Travel insurance.**

## Non-Commercial

- **One non-repayable fund to support sector organizations, sector strategies, regional priorities in infrastructure, capacity building, marketing and research.**
- **Initiatives must clearly link non-commercial activities to economic diversification and/or business development.**
- **Initiatives will be funded up to 50% of total eligible project costs.**



## Eligible Applicants

- **not-for-profit organizations, excluding federal and provincial government departments and agencies.**
- **Applicants include industry associations, municipalities, public educational institutions, and other not-for-profit groups including co-operatives and economic development organizations.**
- **Applicants must be incorporated.**



- **Community Capacity Building Component**
  - Training modules
  - Planning sessions
  - Under the CCB component, financial assistance is in the form of a non-repayable contribution, normally to a maximum of \$5,000 for regional organizations and \$10,000 for provincial organizations per year.



- An internationally recognized economic development tool that helps identify and address barriers to survival and growth faced by local businesses.”
- “It is based on the philosophy that existing firms are the key to regional economic prosperity”
- Helps existing SMEs identify expansion barriers and capitalize on opportunities using a confidential diagnostic process.
- Linking business clients to programs and services to address red flag

- In addition to ongoing target list, sector specific approaches are advancing.
  - Tourism
  - Agriculture
  - NEIA
  - Co-operatives
  - Oceans
- Linkages to non-commercial (i.e. data)

# Thank you for your Attention