

Innovation and Business Investment Corporation

Activity Plan 2023-2026

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Chairperson's Message

As Chairperson of the Innovation and Business Investment Corporation's (the Corporation) Board of Directors, I am pleased to present the Corporation's activity plan for the fiscal years 2023-2026. This plan was developed in accordance with the **Transparency and Accountability Act**, under which the Corporation is classified as a Category 3 entity. Additionally, this plan was prepared under the direction of the Board, which is accountable for the achievement of the objectives.

The Board has prepared this plan to outline the activities it will undertake within the three-year period 2023-26. These activities are within its mandate and current budget, and take into consideration the strategic directions of Government.

Sincerely,



Mark Dobbins
Chairperson

Overview

The Corporation operates as a Crown Agency reporting to the Minister of Industry, Energy and Technology (IET), and was established under the authority of the **Innovation and Business Investment Corporation Act** on May 31, 2018. The Corporation provides financing and directs the management of its investment and loan portfolio. It administers new investments through the following lines of business: the Business Investment Program (BIP); the Business Development Support Program (BDSP); the Research and Innovation Fund (RIF); Research and Development (R&D) Commercial; and the Fisheries Loan Guarantee Program (FLGP) in partnership with the Department of Finance, as further outlined below.

BIP: provides loans, with particular emphasis on support to businesses that have export potential and need assistance to enter or expand into external markets.

BDSP: provides non-repayable contributions to businesses with opportunities to increase productivity and improve competitiveness, with a key objective to help businesses gain access to national and international markets.

RIF: provides support through non-repayable contributions to non-commercial entities for the development and implementation of R&D and innovation projects to support economic development in Newfoundland and Labrador.

R&D Commercial: provides support through non-repayable contributions to commercial R&D projects that reduce the technical and financial risk of research and development projects where R&D is required to realize the commercial potential of innovative products, processes or services.

FLGP: supports the development of the province's independent fish harvesting industry by providing a government guarantee on loans through local chartered banks and credit unions, for the construction or purchase of marine vessels and/or to purchase new engines and fishing equipment for the improvement, rebuilding or alteration of existing

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vessels. Loans may also be approved to refinance loans previously obtained from fish processors for fixed asset costs. Also, the program is used to support combining of enterprises and license acquisitions. The investments are reviewed by the Board of Directors of the Corporation. Guarantees are issued by the Province and the liability is shown in provincial accounts.

The affairs of the Corporation are managed by an independent Board of Directors (the Board). The Board is appointed by the Lieutenant-Governor in Council and is subject to the Independent Appointments Commission process. The Board exercises all of the powers and duties of the Corporation and administers and manages its business. It meets, as necessary, in order to fulfil this mandate. A sub-committee of the Board meets bi-weekly, or at the call of the Chairperson. At the time of the preparation of this Activity Plan, the Board members are:

Mark Dobbin	Chair
Mandy Woodland	Vice-Chair
Peggy Bartlett	Member
Andy Turnbull	Member
Josh Quinton	Member
Lynn Morrissey	Member
Assistant Deputy Minister (ADM), Business and Innovation, IET	Member
ADM, Industry and Economic Development, IET	Member
Deputy Minister, Deputy Minister, IET	Member

The Board has delegated authority to Regional Managers of IET for funding decisions on accounts in which total funding outstanding does not exceed \$50,000. Select Directors of IET, as approved by the Board, have approval authority up to \$150,000. Similarly, the Innovation and Business Investment Management Committee has the authority for funding decisions on accounts that exceed the Directors' limit, up to \$750,000. Full Board approval is required on accounts in excess of \$750,000.

IET provides administrative support to the Corporation as the Corporation does not employ its own staff. Departmental staff receive, evaluate, and, depending on the delegated authority outlined above, make decisions under all programs administered by the Corporation. Departmental staff also manage and monitor revenue forecasts and collections as well as maintain accounting records for the province-wide portfolio of loans, equity and grants.

Funding for the Corporation's programs is provided through IET's budget.

Mandate

The Corporation's mandate is to direct the management of the investment portfolio of the Department and to administer new investments made by virtue of its funding programs.

Primary Clients

The primary clients of the Corporation are local businesses, including growth-oriented firms, entrepreneurs, economic development organizations, and research and development institutions/academia. The Corporation's primary responsibility is to its clients. It provides grants, loans or other means of financial support to commercial or social enterprises, academic institutions, not-for-profit organizations or individuals undertaking research and innovation activities consistent with the objects of the Corporation. The Corporation also has a responsibility to clients through the ongoing management of client accounts, which continues for the total span of the investment.

Vision

The Corporation has adopted, and contributes to IET's vision, as follows: A prosperous Newfoundland and Labrador with a clean, innovative, and diversified economy capitalizing on the Province's resources and strategic advantages and supported by private sector investment and business growth across all regions of the province.

Strategic Issue

Made new investments and managed existing investments

The Corporation's primary function is the administration of new investments and the management of its investment portfolio. Members of the Board use their experience and skills in the areas of: business development/growth; investment and lending; management and leadership; international business; risk management; regional economic development; R&D and innovation; provincial business climate; and, assessing business proposals. These functions are consistent with Government's strategic directions to, : Increase Innovation and Research Opportunities throughout Regions Using a Sector Based Approach; Industry and Business Supports and Investment; and Innovation, Economic Development and Diversification.

The Corporation intends to report on the following objective each fiscal year through the Corporation's annual report, for the fiscal years 2023-24, 2024-25 and 2025-26.

Objective

By March 31, 2024, the Corporation will have continued to support innovation, research and development and business investment activity in Newfoundland and Labrador.

Indicators

- Made investments through its programs and initiatives, in commercial and non-commercial innovation, business development, and research and development projects.
- Successfully managed revenue collection on the loan portfolio under the Corporation.

Annex A - Strategic Directions

A strategic direction is the articulation of a desired physical, social, or economic outcome that would normally require action by, or involvement of, more than one government entity. The following strategic directions have been identified by Government for this planning cycle and are relevant to the operations of the Corporation.

1. Increase Innovation and Research Opportunities throughout Regions Using a Sector Based Approach

Outcome: Investments and initiatives to advance strategic sector growth throughout the province.

2. Industry and Business Supports and Investment

Outcome: Increase investment in the province and continue support to grow companies within Newfoundland and Labrador.

3. Innovation, Economic Development and Diversification

Outcome: Creating a business environment that fosters technology, innovation and R&D.

