

# 13/14 annual report



  
Newfoundland  
Labrador

Innovation, Business and Rural Development





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## message from the minister

As the Minister of the Department of Innovation, Business and Rural Development, I am pleased to submit the Annual Performance report covering the 2013-14 fiscal year, as well as the 2011-14 strategic planning period. It is submitted in accordance with the Department's obligation as a Category 1 entity under the *Transparency and Accountability Act*. It was prepared under my direction and I am accountable for the results reported herein.

Through the Department of Innovation, Business and Rural Development's extensive suite of programs and services, the Department has made strategic investments across a broad range of industries throughout the province thereby enhancing business and community development. This approach is generating results and is supporting a more energetic and diversified economy.

Sustained economic diversification is the foundation of the Department's mandate and innovation is the bedrock on which our economy is built. It impacts - for the positive - all businesses and all industries, regardless of geography.

By leveraging our province's tremendous knowledge and expertise, we have developed a world class ocean technology sector that is making waves nationally and internationally, especially in terms of the emerging opportunities in the Arctic. Through investments in ocean technology, aquaculture, broadband, advanced manufacturing, and emerging green and knowledge based sectors, we are positioning Newfoundland and Labrador to take advantage of opportunities in a dynamic global economy.

Small businesses are the engines that drive the provincial economy and this Department is steadfast in its support of Newfoundland and Labrador's sustainable social and economic development. Developing new opportunities and new markets creates stronger regions and more diversified local economies. The Department will continue to seek out and support these opportunities throughout the province.

Looking forward, the Department will continue its collaborative approach to social, economic and business development. Strong partnerships among government, academia, and industry will remain an important focal point of our mission.

I would like to acknowledge the hard work and dedication of the employees of the Department of Innovation, Business and Rural Development.



Minister Susan Sullivan,  
MHA, Grand Falls-Windsor-Buchans  
Department of Innovation, Business and Rural Development



## vision

The vision of the Department of Innovation, Business and Rural Development (IBRD) is of a vibrant, diverse and sustainable economy with productive and prosperous regions throughout the province.

## mission

By March 31, 2017, the Department of Innovation, Business and Rural Development will have stimulated economic and business development to foster regional and provincial prosperity.

## mandate

The mandate of the Department of Innovation, Business and Rural Development, stemming from Provincial Government Legislation and other foundational documents, is to lead:

- (a) the creation and maintenance of a competitive economic environment that encourages and supports private sector business growth and long-term sustainable employment opportunities for the people of the province;
- (b) the diversification of the economy on a provincial and regional basis, with particular attention to rural areas;
- (c) the promotion and encouragement of increased trade and export of goods and services by provincial industries and businesses in the national and international marketplace;
- (d) the creation of a climate conducive to innovation in business through the facilitation of research and development, technology transfer and technology commercialization within provincial industries and individual business enterprises;
- (e) the provision of business information, counseling and financial support programs, and services to small and medium-sized enterprises; including private businesses, co-operatives, credit unions and community development corporations to stimulate economic and employment development within the province;
- (f) promoting the value of an enterprise culture and encouraging economic self-reliance throughout the province;
- (g) the negotiation and administration of comprehensive federal/provincial economic development co-operation agreements and other forms of collaboration; and,

(h) a strategic approach to growth of the ocean technology cluster in Newfoundland and Labrador.

## values

At IBRD every employee supports the values of respect, creativity, service excellence, collaboration, communication and leadership.

## lines of business

As of March 31, 2014, the four lines of business of IBRD were:

Small and Medium-sized Enterprise (SME) Development; Regional Development; Innovation; and Trade and Investment.

## branches

Regional and Business Development; Trade and Investment; Innovation and Strategic Industries; and Ocean Technology

## staff

At the end of fiscal year 2013-14, the Department had 158 employees with the following distribution:

Region/ Office	Total Staff	Gender Breakdown	
		# Males	# Females
St. John's Corporate Office	92	46	46
Marystown Corporate Office	10	3	7
Avalon Region	11	7	4
Eastern Region	9	6	3
Central Region	11	7	4
Western Region	17	5	12
Labrador Region	8	5	3
<b>TOTAL</b>	<b>158</b>	<b>79</b>	<b>79</b>

## financial performance

In 2013-14, IBRD's gross budget was \$64,427,430. Allowing for \$323,586 in revenues, the Department's net budget was \$64,103,844. For an in-depth look at the Department's financial performance, see page 54.







Highlights  
and  
Accomplishments

IBRD, through its support mechanisms and client-oriented services, is an important and strategic contributor to driving the economy of the province. IBRD provides financial and non-financial support to SMEs and development organizations to stimulate economic development. Some of the key initiatives, projects and highlights of the Department for the 2013-14 fiscal year are presented below.

***Expanding Broadband Access.*** Broadband access is a key component of the province's innovation infrastructure. The Rural Broadband Initiative (RBI) was launched in 2011 to provide incentives to telecommunications carriers to expand broadband access into unserved and underserved rural and remote areas of Newfoundland and Labrador. Significant progress in capacity has been made since 2011, resulting in substantial benefits to rural communities and businesses. Budget 2013 committed \$6.3 million over two years to advance the RBI and further improve the province's telecommunications environment.

***Business Retention and Expansion (BR&E).*** In 2010, the Department's new BR&E approach allowed for innovative client service delivery model. The BR&E diagnostic tool provides in-depth counseling to help business clients

identify issues and opportunities that directly affect their competitiveness. It has allowed clients to avail of IBRD's highly trained economic practitioners. Clients received real-time responses in the form of customized individual operator action plans, that included comprehensive information that links them to available programming and services.

A new BR&E sector approach was piloted in 2012 with initiatives taking place in the craft and tourism sectors. This approach continued in 2013-14 with the implementation of additional sector initiatives within: Agrifoods, Environmental Industries, Co-operatives, Labrador Tourism and the Eastern Destination Management Organization.

The BR&E process has resulted in a number of tangible outcomes for business clients, and has resulted in increased uptake of IBRD's programming to help client's business competitiveness. In 2013-14, it resulted in the approval of 24 applications valued at \$737,688.

***Supporting Business Incubation and Acceleration.***

For small start-up companies to develop and succeed in advanced technology sectors, support must be provided



during the critical incubation stage. In 2013-14, the Department provided \$203,000 to the Genesis Centre, an incubation facility that provides a wealth of resources to its tenants and associates with the long-term goal of making their innovations market-ready.

**Canada-European Union Comprehensive Economic and Trade Agreement (CETA).** Provincial and Territorial negotiators finalized the Agreement in Principle for CETA. It will better position the province to access markets in the European Union (EU). Provincial businesses will now be competing in an investment environment that has eliminated tariffs, reduced regulations, and streamlined the flow of goods, services, and investments. Additionally, as part of the Provincial and Federal Governments efforts towards finalizing the Agreement, IBRD played a lead role in the Provincial Government's efforts in securing a \$400 million Fisheries Investment Fund which will enable the fishing industry to capitalize on the opportunities presented by CETA.

**Positioning Newfoundland and Labrador in Emerging Markets.** The Provincial Government continued to focus on the high growth, emerging markets of Brazil and China.

These markets continue to be important for supporting the international business goals and objectives of the Province.

In Brazil, IBRD with its federal partners organized an international business development mission to the Navalshore tradeshow in Rio de Janeiro in August 2013. This was the first trade mission to Brazil exclusively for local organizations. The Council of Atlantic Premiers (CAP) trade mission to Sao Paulo and Rio de Janeiro in October 2013, resulted in the signing of a Memorandum of Understanding (MOU) between Memorial University and University of São Paulo on bioscience. To complement IBRD's in-market activities, IBRD hosted three incoming missions from Brazil during the year. These included visits by the Consul General of Canada in Rio de Janeiro, an industry and state delegation from Rio Grande do Sul and a Petrobras procurement mission. These incoming missions facilitated the introduction of new companies to key Brazilian contacts, delivered additional market information to Newfoundland and Labrador companies and organizations, supported ongoing efforts by existing companies and enabled the province to showcase key strengths and capabilities to key influencers.

In China, the Provincial Government led a trade mission to China in June 2013 to promote investment opportunities in the province, particularly in the natural resource sector. The mission resulted in the signing of a new MOU between Newfoundland and Labrador and China's Zhejiang Province (a follow-on to a 2001 agreement), as well as six MOUs related to post-secondary education. The MOUs between Newfoundland and Labrador and China's Zhejiang Province will provide the basis for a strong relationship with a key province in China.

**Arctic Opportunities.** IBRD is responsible for the Provincial Government's Arctic Opportunities Initiative, which positions Newfoundland and Labrador as the path to the Arctic by identifying opportunities, building capacity, and creating international awareness about the province's

Arctic-related capabilities. Partnerships and collaboration among stakeholders is a guiding principle of this initiative, bringing together representatives from the Research and Development Corporation (RDC), the Marine Institute (MI), the Nunatsiavut Government, and the Provincial Government for the development and implementation of the initiative.

In May 2013, Canada assumed the international chair of the Arctic Council under the theme of “Development for the People of the North”. This created an opportunity to increase dialogue with the Federal Government, raise Newfoundland and Labrador’s Arctic profile with the Federal Government, and advocate for the inclusion of local expertise in this work.

To distinguish Newfoundland and Labrador from other northern jurisdictions, IBRD participated in a re-branding of the Arctic Opportunities Initiative. Inspired by the province’s unique positioning along Iceberg Alley, the re-branding showcases Newfoundland and Labrador’s significant Arctic-related capabilities that support and facilitate opportunities and growing economic activity in the Arctic. The new brand was successfully launched in January 2014 at the Northern Lights conference in Ottawa followed by the Arctic Technology Conference in Houston.

***Fisheries Loan Guarantee Program (FLGP).*** FLGP continued to experience significant uptake in 2013-14. The FLGP provided an analysis of 31 loans with a total amount guaranteed of \$28,756,528. This represented a 58 percent increase in loans analyzed from 2012-13, and a 49 percent increase in loan guarantees.

***Supporting Youth Innovation.*** The Government of Newfoundland and Labrador, through its Innovation Strategy, Innovation Newfoundland and Labrador: A Blueprint for

Prosperity, identified support for youth innovation as an important part of creating a culture of innovation. Inspiring young people to become involved in science and technology is an integral part of creating this culture. In 2013-14, the Department invested over \$422,000 in 24 projects that supported and promoted youth innovation and contributed to valuable learning experiences for the province’s K-12 students and those enrolled in post-secondary institutions.

Youth innovation projects funded in 2013-14 included: a virtual multi-media event; a collaborative communication project between students in Newfoundland and Labrador and students in Alberta; the expansion of the first Lego competition featuring student-designed mechanical robots; the construction of remotely operated underwater vehicles (ROVs); and the development of a travel guide application.

***Workplace Skills Enhancement Program (WSEP).***

WSEP helps businesses train employees to improve productivity and/or global competitiveness of the businesses. Clients are businesses in strategic sectors including corporations, partnerships, sole proprietorships, co-operatives, social enterprises and business networks, and may also include not-for-profit organizations on behalf of businesses. In 2013-14, IBRD approved more than \$1.5 million for 54 training initiatives under the WSEP, involving more than 1,100 participants.

***Extending Provincial Culture through the Film Industry.***

In 2013-14, IBRD continued to partner with the Newfoundland and Labrador Film Development Corporation (NLFDC) and Atlantic Canada Opportunities Agency (ACOA) to provide opportunities for Newfoundland and Labrador film and television producers to meet with Los Angeles-based producers’ distributors, broadcasters, casting agents and

# “Two Thumbs Up!”

Department of Innovation, Business and Rural Development



Congratulations to the St. John's International Women's Film Festival from the Government of Newfoundland and Labrador – proud to play a supporting role in the province's film industry.

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financiers to discuss potential business opportunities and partnerships. In June 2013, 10 producers participated in the Producers' Guild of America conference, targeted seminars and business-to-business matchmaking. Producers also identified the need to extend their reach to the German market, resulting in a mission to Berlin in March 2014 to pursue substantial new business opportunities.

**Awards.** In September 2013, IBRD's Ocean Technology Branch was awarded the prestigious *Compass International Award for 2013*. The award was presented by the Marine Technology Society (MTS) for outstanding achievement in the advancement of ocean technology. The award recognized the leadership of the branch for progressively advancing strategic initiatives, leading to greater research and new business opportunities.

In August 2013, an IBRD International Trade Officer was awarded the World of Difference 100 Award by the International Alliance for Women for an extraordinary effort in advancing IBRD's work to support women in business. This was one of only ten World of Difference 100 awards presented to Canadian recipients.

For more details on these awards visit  
<http://www.releases.gov.nl.ca/releases/2013/ibrd/1216n01.htm>



### Supporting Business through INnovation, INsight, INtelligence and INvestment.

At the Department of Innovation, Business and Rural Development we take great pride in supporting business, industry and our communities each and every day. We also take great pride in our colleagues and this year we get to show off some major awards.

Ocean Technology Branch - Winners of *The Compass International Award*

Carolann Harding - Winner of the *The International Alliance for Women World of Difference 100 Award*

BR&E Team - Winners of the *Business Retention and Expansion International Award of Excellence*

Congratulations to all our colleagues, clients and partners on a successful year.

If you have an INnovative idea, are looking for INsight to expand or have a solid business plan that may need INvestment... Get IN touch today.



We're IN.

Innovation, Business  
and Rural Development

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**Shared  
Commitments**

Economic development requires a collective effort and the Department works with many regional and provincial stakeholders including municipalities, businesses, chambers of commerce, industry associations, and other economic development organizations. Proactive and results-driven business and economic development occurs when strong inclusive partnerships exist within the province, with the Federal Government and other provincial and territorial governments, and with international jurisdictions and stakeholders.

***Municipalities.*** IBRD has been engaged with Municipalities Newfoundland and Labrador (MNL) through active participation in their annual Regional Meeting series to discuss economic development and identify linkages. Additionally, IBRD staff actively engaged with an economic development working group, which includes MNL and ACOA. The group focuses on economic development best practices and exploring new and innovative ways for municipalities to become more involved in economic development in their regions and towns. IBRD staff often facilitated and partnered with municipalities to advance economic planning and initiative implementation. In addition, IBRD continues to support mitigation efforts in areas of industry downturn and, in 2013-14, continued this work within various sectors including the fishery and forestry.

***Co-operative Development.*** The role of co-operatives in the Provincial Government's economic and business development agenda is advanced by a partnership between IBRD and the Newfoundland-Labrador Federation of Co-operatives (NLFC). Through an established IBRD/NLFC Regional Developers Network, and a formal MOU, signed in 2013-14 for a second five year period, there is continued growth in the co-op business model with particular emphasis on rural areas of the economy.

***Supplier Development.*** IBRD partnered with the Government Purchasing Agency, Federal Government, Nalcor Energy, Newfoundland and Labrador Organization of Women Entrepreneurs (NLOWE), chambers of commerce, boards of trade, industry associations, Governments of Nova Scotia, New Brunswick, and Prince Edward Island, Council of Atlantic Premiers Secretariat, Department of Natural Resources, and the Newfoundland and Labrador Construction Safety Association to deliver supplier development events and webinars across the province. IBRD also partnered with ACOA, Department of Natural Resources, Nalcor Energy, Women's Policy Office, and NLOWE on supplier development and supplier diversity initiatives.

Bringing together resources and expertise, IBRD worked strategically with partners to promote and execute

international business development initiatives for clients including: working with ACOA in delivering a joint work plan for identified priority markets; collaborating on the International Business Development Agreement (IBDA), a \$10 million funding agreement between the Federal Government and the four Atlantic provinces; participating in the Southeastern United States – Canadian Provinces Alliance (SEUS-CP), which provides a forum to connect businesses and promote economic development; partnering with the Department of Municipal and Intergovernmental Affairs and the Maritime Provinces to organize and deliver the Council of Atlantic Premiers mission to Brazil; and maintaining a relationship with the Federal Department of Foreign Affairs, Trade and Development Canada to harness the trade and investment opportunities by signing international agreements and opening new markets for Newfoundland and Labrador firms.

IBRD continued to advance regional and economic opportunity in key sectors of the provincial economy such as mineral exploration by supporting the work of other Departments, including Natural Resources, to provide expertise in fields such as investment and business development. Also, the Department's collaboration with the Brand Development Division of the Communication Branch of the Office of Executive Council helped to increase the profile of the province as a destination for business.

**Tourism, Culture and Heritage.** IBRD provided significant financial contributions to various commercial and non-commercial initiatives supporting the development of tourism, culture, and heritage products in Newfoundland and Labrador. In addition to providing financial support, IBRD staff have led many planning activities and committees with industry sector partners. One such partner is the Provincial Tourism Board which includes representatives from industry and the Provincial Government. The Board provides a mechanism through which these representatives can work together to guide the province's tourism industry.

**Ocean Technology.** IBRD regularly worked with partners such as ACOA, RDC, Petroleum Research Newfoundland & Labrador (PRNL), and Memorial University on joint projects and initiatives. IBRD also provided representation on various working groups and advisory committees such as the Holyrood Advisory Committee, the SmartBay oversight committee, the Offshore Mechanical and Arctic Engineering (OMAE'15) conference advisory committee, and several Atlantic Innovation Fund (AIF) steering committees.

The Department worked with all levels of government and provincial representatives from the Atlantic Provinces



and industry to support IBDA activities. Through pan-Atlantic cooperation, the Department has advocated for stakeholders' to broaden their reach through participation in international shows and conferences. IBRD further collaborated with external stakeholders on several initiatives in 2013-14 such as: Oceanology International China and a subsequent trade mission, "China (Zhejiang) - Canada's Ocean Technology Enterprises Exchange Meeting" and the IBDA pan-Atlantic ocean technology incoming mission, which hosted 27 Chinese delegates in June 2013. IBRD also played a key role in attracting conferences and events to the province in collaboration with all levels of government, academia, industry, and associations. A prime example is IBRD's participation on the local organizing committee for the upcoming OCEANS'14.

**Arctic Opportunities.** Through the Arctic Opportunities Initiative, IBRD continued to attract global and industry leaders and create an environment in which stakeholders are able to benefit from emerging opportunities and northern communities can thrive. The Initiative has a steering committee and an interdepartmental working group of partners. Both are comprised of various Provincial Government Departments, MI, RDC, Nunatsiavut Government and chaired by IBRD.

**Life Sciences.** The life sciences sector in Newfoundland and Labrador is comprised of a cluster of companies, researchers, educational institutions, industry associations and government agencies working together to develop research and commercial products and services in health sciences, environment, agriculture, forestry, mining, information technology, aquaculture, and ocean-related industries. In 2013-14, the Department hosted a Bio-Partnering Forum in collaboration with Newfoundland and Labrador Association of Technology Industries (NATI), and Federal and Provincial Government partners from

Atlantic Canada. The event, undertaken with support from IBDA, focused on building international business and research alliances within the biosciences sector. The event assembled representatives from Atlantic Canada's biotechnology community to facilitate new product development, licensing agreements, R&D collaborations and potential export opportunities.

**Aerospace and Defence.** The Department worked to enhance the profile and competitiveness of the provincial aerospace and defence industry in global markets. Participation in strategic industry events promotes the province as a jurisdiction for investment opportunities. In 2013-14, the Department, in partnership with the Aerospace and Defence Industry Association of Newfoundland and Labrador (ADIANL), hosted representatives from the province's aerospace and defence sector at the Defence Security and Aerospace Exhibition Atlantic (DEFSEC) in Halifax, Nova Scotia. The event featured participation from key procurement officials, industry leaders in original equipment manufacturing, global systems integrators, and supply chain operators.

**Craft.** IBRD collaborated with the other Atlantic Provincial Governments and craft industry associations in support of the Craft Alliance. The key purpose of the Alliance is to provide marketing opportunities for Atlantic Canadian producers of craft, gift ware and apparel products, to encourage entry into wholesale and export markets, and to enhance the professionalism, education and advancement of the sector in Atlantic Canada. IBRD continued to partner with the Craft Council of Newfoundland and Labrador. Additionally, IBRD participated on the Anna Templeton Centre Board, the Quidi Vidi Village Plantation (craft incubator) Steering Committee, and the Rotary Arts Centre Board in Corner Brook.

the canvas is all yours...

But we're here for support through our funding programs and the services that we bring to each client. If you have an INnovative idea, are looking for INsight to expand or have a solid business plan that may need INvestment... Get IN touch today.

Congratulations to all the participants at The 9th Annual EVA Awards.



**Food and Beverage.** In 2013-14, IBRD met monthly with the IBDA working group to discuss utilization of funds and required research. IBRD provided representation on the Atlantic Food Team to identify sector opportunities. In partnership with the Atlantic Food and Beverage Processors Association, IBRD offered industry training workshops in the areas of food safety and market access requirements. IBRD also promoted and participated in two events in the food and beverage sector: the Salon International de l'alimentation (SIAL) trade show in May 2013 and the America's Food and Beverage Show in October 2013.

**Innovation Showcase.** In 2013-14, the Department partnered with Provincial Government Departments and agencies, crown corporations, municipalities, academic institutions, school boards, and health care facilities to facilitate opportunities for local businesses to showcase their innovative solutions, technologies, and products.

**Atlantic Workforce Partnership (AWP).** Created by the Council of Atlantic Premiers in 2012, AWP was established to strengthen regional cooperation in a number of areas addressing skilled workforce issues including workforce development, certification, standards, labour mobility, skills training, immigrant recruitment and retention, supply chain

issues, and apprenticeship. A steering committee consisting of Deputy Ministers responsible for skilled labour and economic development was established. IBRD works with the Department of Advanced Education and Skills as well as officials in the other Atlantic Canadian provinces to advance priorities of the AWP.

**Poverty Reduction Strategy (PRS).** IBRD participated in the Poverty Reduction Strategy and continues to provide input and investments in programs and clients supporting the PRS goals. IBRD is also on the working group that monitors and evaluates the support to the goals of PRS.

**Project Review and Assessment.** IBRD worked collaboratively with internal and external stakeholders to ensure that a due diligence process is provided on all files. This required interaction at all levels within the Department and with various departments and offices across the Provincial Government. IBRD also interacted with outside organizations to negotiate, broker and partner on business investment deals. Such organizations included Federal Government Departments and Agencies, ACOA, the Business Development Corporation (BDC), and various lending institutions.

where challenge becomes opportunity



# OCEANS'14

MTS/IEEE

St. John's (YYT), Newfoundland and Labrador, Canada | September 14 - 19, 2014



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**IEEE**





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The background of the page is a dark, blurred photograph of industrial machinery, possibly a robotic arm or a manufacturing process, with some bright, out-of-focus lights. A vertical white line runs down the center of the page, and a horizontal white line intersects it, forming a crosshair. A dark blue circular graphic is positioned on the right side of the page, containing the title text.

**Report  
on  
Performance:  
Strategic Issues**

IBRD's economic programs and services are vital for the Department to deliver on its mandate and strategic directions and bring economic growth to all regions of the province. The Department, through its commercial and non-commercial funding programs, supports businesses which in turn produce prosperous communities and regions. The Department has made significant progress towards addressing the issues of business competitiveness and regional sustainability as priority issues in IBRD's Strategic Plan, 2011-2014. Complementing the major highlights and accomplishments and shared commitments already outlined in this report, this section reports progress on the 2013-14 objectives and 2011-14 goals, which were developed in accordance with the strategic directions of the Provincial Government applicable to IBRD as outlined here:

### Strategic Directions:

#### Regional Diversification and Industry Growth

*Provincial Outcome Statement:* Diversified and strengthened regional economies.

#### Innovation

*Provincial Outcome Statement:* An innovative culture.

#### Small and Medium-sized Enterprise Business Supports

*Provincial Outcome Statement:* An environment supportive of enterprise establishment and growth.

#### Business Promotion, Trade and Investment Development

*Provincial Outcome Statement:* Increased business promotion, trade and investment.

#### Business, Industry and Economic Intelligence

*Provincial Outcome Statement:* Improved understanding of and response to significant and long-term economic and competitiveness issues.

## Issue 1: Business Competitiveness

The Department worked collaboratively with the Newfoundland and Labrador's start-up community and SMEs to translate their resourcefulness and know-how into opportunities for new processes, products, and services that will fuel business competitiveness and growth. Through ongoing client counseling, opportunity identification, information provision, and funding, IBRD staff has assisted businesses and sector organizations to build their capacity, confidence and competitiveness. IBRD has continued to use BR&E diagnostics to assist businesses to overcome barriers to growth. Through IBRD's supplier development initiatives, local businesses are informed about procurement processes and pre-bid requirements in order to enhance their competitiveness when bidding on tenders issued by the provincial and federal governments and private sector firms operating in key sectors.

IBRD also ensured Newfoundlanders and Labradorians are informed and can take advantage of business opportunities nationally and internationally. IBRD assisted the business community with the opportunities opened up by domestic and international trade negotiations. IBRD worked closely with federal and other provincial and territorial officials on improvements to the Agreement on Internal Trade (AIT) to further eliminate barriers to inter-jurisdictional trade, investment and labour mobility in Canada. IBRD's representation in domestic and international trade negotiations supported international business development by improving market access, easing regulatory barriers, and guaranteeing more transparent rules for the flow of goods, services, and investments.

Recognizing knowledge of geographical markets and events that may present opportunities for local companies is important. IBRD worked closely with partners to help support companies participate in events in markets as diverse as the European Union, the United States, China, and Brazil. By reducing the financial cost of attending trade shows and training events, IBRD enabled clients to enter new markets and build capacity. IBRD also worked one-on-one with companies to advise them of regulations, competitive issues, distribution options and industry trends.

As global interest in the Arctic increases among stakeholders and jurisdictions, IBRD is promoting Newfoundland and Labrador for Arctic-related activities. It is creating international awareness about the Province's abundant Arctic-related capabilities, expertise, and facilities that will attract highly qualified people and investment.

This issue contributed to the strategic directions of Small and Medium Sized Enterprise Supports; Business Promotion, Trade and Investment Development; and Business, Industry and Economic Intelligence especially in the areas of new business investment, counseling/information and aftercare and capacity building.

**OBJECTIVE 3:**

By March 31, 2014, IBRD will have reviewed and evaluated select funding programs to ensure they are flexible and relevant.

**Measure:**

Reviewed and evaluated.

**INDICATOR 1:**

Policy review completed for Business Attraction Funding Program

IBRD completed the review of Business Attraction Funding Program policies and procedures. The policies for decision-making; assessment; due diligence; and processing funding requests were reviewed. As well, the equity investment guidelines and success indicators were also reviewed extensively. As a result of this review, no material changes were considered necessary for the Business Attraction Funding Program.

**INDICATOR 2: FLGP**

Evaluation completed on enhancements to Fisheries Loan Guarantee Program (FLGP)

The FLGP evaluation was completed in collaboration with the Department of Fisheries and Aquaculture, the Department of Fisheries and Oceans, and financial institutions which participated in discussions to evaluate program enhancements. Examples of enhancements to program delivery include creation and distribution of a checklist to improve consistency and continuity of information provided by financial institutions. In addition, significant mentoring was provided to new participating financial institutions around program enhancements. The evaluation included a review of the number of guarantees provided under the program since the enhancements were made. This review showed a significant uptake since program enhancements were made, from five loans guaranteed in 2010-11 to 31 loans guaranteed in 2013-14.

**INDICATOR 3: EDGE**

Recommendations for program enhancement presented to Economic Diversification Growth Enterprises Program (EDGE) Board

Recommendations for EDGE program enhancements were drafted and reviewed with the EDGE Board. However, a formal presentation of recommendations to the EDGE Board was deferred as the Department decided to utilize other existing programs to incentivize and attract new enterprises along the same lines of the EDGE program.

**INDICATOR 4: BIG**

Review completed on Business Investment Corporation (BIC) loan portfolio

A thorough review of all BIC outstanding loans was completed by the Department. As a result, maintenance is provided to these accounts on a regular basis. Based on this review, files have been actioned and recommendations have been implemented.

**INDICATOR 5:**

Reviewed applications/proposals under the new IBRD programs

**Business Investment Program—**

In 2013-14, for commercial repayable term loans, IBRD reviewed and approved 22 proposals valued at \$2,991,663 and made equity investments valued at \$950,000.

**Business Development Support Program—**

In 2013-14, for commercial non-repayable contributions, IBRD reviewed 250 approvals valued at \$2.8 million. (For Productivity Improvements approvals of \$679,000; Knowledge Development approvals of \$340,000; Market Development approvals of \$1.45 million; Professional Technical Advise approvals of \$72,000; and Travel Stipends approvals of \$284,000)

The above objective indicators discussed the activities, IBRD undertook in fiscal year 2013-14.

**GOAL:**

The goal indicators include the initiatives and activities that the Department undertook in the last three fiscal years from 2011 to 2014.

**GOAL ONE:**

By March 31, 2014, IBRD will have strengthened capacity for business development and competitiveness.

**Measure:**

Strengthened capacity for business development and competitiveness.

**GOAL INDICATOR: 1**

Counseling, mentoring support, skills development and training, and other such activities provided to business and industry groups

In growing and diversifying strategic sectors, IBRD provided mentoring and business counseling for firms and industry associations, including advisory services for companies engaging and navigating global supply chain opportunities; pursuing opportunities for technology transfers; marketing their capabilities in national and international markets and protecting their intellectual property. IBRD provided funding support to non-commercial clients for initiatives which help build capacity in various institutions and communities in the province.

IBRD collaborated with its partners to inform and advise clients on available programs to support company growth through product development, commercialization, and market penetration. Since 2011-12, IBRD provided BR&E services to 213 clients. WSEP, approved nearly \$5 million for 172 training initiatives. IBRD provided \$50,000 annually to Entrepreneur's Forum to help entrepreneurs receive advisory sessions. IBRD's e-newsletter provided information on marketing opportunities to clients. Clients were provided newsletters with general industry information including several sector training opportunities for them. IBRD's staff provided counseling and feedback to sector organizations; delivered workshops; and organized the annual seminar series on business and marketing topics. As part of the Manufacturing Insights initiative, a Lean manufacturing training pilot project was initiated with seven companies. IBRD has funded other Lean training to provide training for an estimated 45 firms working within Lean Leveraged Learning Networks. IBRD collaborated with the Canadian Manufacturers & Exporters (CME) to deliver "Lean and Green" training for organization's business members. IBRD continued to offer Beyond Your Backyard Export Diagnostic, from 2011-12 through to 2013-14, 29 clients worked with the Department to prioritize their needs and maximize business growth.

**GOAL INDICATOR: 2**

Assistance provided to businesses and industry stakeholders to access market opportunities

Export counseling is an overarching service that IBRD delivered to businesses and industry groups. The Department worked directly with clients to assess their companies' overall level of export-readiness. The assessments provided opportunities to explore exporting as a growth tool, to develop growth strategies and discuss possible training and mentoring required. In 2011-14, the Department delivered 64 information sessions regarding market opportunities, export preparedness, and trade show training to its clients across all sectors. Through exporting workshops, those clients new to exporting were informed of market opportunities, market entry strategies, timelines, market research, export planning, and preparation for selling products and services abroad.

IBRD assisted clients through a range of international business development counseling services and financial programs including client participation in Department-led activities in priority markets, local business network initiatives to strengthen international business

development and clients' strategic international marketing and business development expertise. Initiatives included: market information sessions, market research, incoming international buyer missions, outgoing in-market trade missions, export diagnostics, and travel assistance.

Through 2011-14, IBRD facilitated national and international marketing opportunities and organized 77 trade missions involving over 300 industry and business participants. IBRD's financial investment of \$600,000 through travel stipends allowed these companies to access market opportunities. IBRD organized and delivered missions with companies to key geographic markets in the US, EU, South America and China.

IBRD worked with existing support programs to assist clients with participation in trade missions and conferences either led by the Department or driven by the client as part of a comprehensive marketing plan. IBRD worked with professional in-market consultants to assist companies in accessing international markets.

Through 2011-14, IBRD participated in trade shows to bring investment to the province and the Department prepared and led several company delegations to industry events to support them in accessing various markets and clients, examples include:

- Information sessions specific to market opportunities were provided through the Export Discovery Series. Seven sessions featuring in-market speakers and market research were offered for the following markets: Ireland, Brazil, India, Cost Rica, and the United States.
- IBRD coordinated Industry Days with Damen Shipyards to facilitate access to market opportunities within Damen's international supply chain.
- The Department hosted a Bio-Partnering Forum in collaboration with its partners. The event focused on building international business and research alliances within the biosciences sector. It assembled representatives from Atlantic Canada's biotechnology community to facilitate new product development, licensing agreements; research and development collaborations, and potential export opportunities.
- The Department, in partnership with the ADIANL, hosted representatives from the province's aerospace and defence sector at DEFSEC in Halifax, Nova Scotia. The event featured participation from key procurement officials, industry leaders in original equipment manufacturing, global systems integrators and supply chain operators. The Department also worked with partners to lead a delegation of companies to the annual

- Canadian Security and Defence (CANSEC) event—Canada’s premier defence trade show.
- The Department attended a number of Oceans sector events attended included Northern Lights, the Arctic Technology Conference (ATC), Offshore Technology Conference (OTC), Arctic Oil and Gas North America, Arctic Shipping North America Forum, ISO plenary, Expo Labrador, Northern Exposure, Arctic Circle Conference, Arctic Oil and Gas North America, Arctic Shipping North America Forum, Maritime and Arctic Security and Safety Conference 2013 (MASS2013), ISO plenary, Expo Labrador, Northern Lights and the Arctic Technology Conference.
- IBRD also took the lead on business development missions to two oceans events, Ocean Business in Southampton and OCEANS’13 in San Diego.
- IBRD coordinated the participation of four start-up companies from the province at the Invest Atlantic event in Halifax in September 2013. The competition brought together entrepreneurs, investors, economic development professionals, and professional service advisors for an inspiring day full of networking opportunities and information.
- IBRD, in partnership with Invest Atlantic and the Genesis Centre, hosted a Pitch101 event in December 2013 with 15 start-ups in attendance. The event involved a full day of mentoring and a one-minute pitch competition to investors.

**GOAL INDICATOR: 3**

Facilitated diversified investment opportunities to support inward business investment

IBRD utilized its incentive programs to attract inward investment to the province. The diversified investments are creating new industry developments in emerging knowledge-based and advanced technologies sectors. During 2011-14, investments were provided as shown in the table below.

Programs	Number of projects	Total value of projects (\$)
Business Attraction Fund (former)	5	7.825M
Business Investment Fund	1	500K
EDGE Program	2	1.654M
<b>Total</b>	<b>8</b>	<b>9.979M</b>

IBRD also participated in several trade shows with the objective of attracting investment to the province.



**GOAL INDICATOR: 4**

Provided flexible and relevant funding programs

IBRD has redesigned its economic development programs. The objective of amalgamating over 20 individually branded financial programs into two funds, was to be more efficient, effective, and to strategically expand the Department's client base. It also included modernizing IBRD's client service delivery model and transforming its business processes. The funds are streamlined to ensure they are properly focused and flexible to meet the growth needs of local enterprises and industry stakeholders.

The consolidation of programs resulted in two new umbrella Funds: a Business Investment Fund (BIF) with more than \$36 million available to support the business community and a Regional Development Fund (RDF) with more than \$11 million to support community and regional economic development.

## Issue 2: Regional Sustainability

Through working directly with businesses in the regions, as well as supporting economic development groups and industry associations in their regional efforts, IBRD has encouraged businesses to stay in communities and contribute to their regions. IBRD's dialogue, idea generation and relationship building with sector organizations are aimed at supporting regional and industry development. Through this work, and other non-financial supports such as client counseling, industry and community building, facilitation, and supplier development, IBRD has supported regional and business development activity.

IBRD has played a key role in cultivating skills in the business start-up community. Providing financial supports RDF is important for developing ideas and building on opportunities. Through IBRD's RDF, and its related programs: the Regional Development Program (RDP); and Community Capacity Building (CCB) Program, the Department made targeted investments emphasizing regional industrial development and creating linkages between industrial development and small business creation. Through RDP, IBRD invested in research, capacity building, marketing and infrastructure to help support regions and generate economic benefits from opportunities in a variety of strategic sectors. With the CCB program, IBRD assisted groups by enhancing skills essential to regional economic planning, development and implementation. The Department offers capacity building modules, planning sessions, and industry development sessions to interested stakeholders with a clear link to economic and business development.

Through RBI, IBRD is improving connectivity, ensuring regions are competitive, attractive locations for business and a knowledge-based workforce. The RBI is a funding program to address gaps and deficiencies in broadband service infrastructure to households and businesses throughout Newfoundland and Labrador. It is primarily targeted toward unserved households, K-12 schools and business consumers that do not have access to high-speed Internet. RBI seeks to, amongst other things, support and improve citizen access to public services such as healthcare and education; improve the capacity of provincial businesses to pursue local, national and international business opportunities; encourage innovation and economic development in rural communities; and create opportunities for rural innovation—all of which are central to building strong, innovative and sustainable regions.

IBRD also continued to work with partners throughout the province to foster oceans and Arctic opportunities. Recognizing the importance of enhanced capacity and capability in the growing oceans sector, IBRD continued support for OceansAdvance, promoting collaboration among stakeholders in support of meaningful economic growth. The Department also partnered with the Nunatsiavut

Government and other Aboriginal groups on the implementation of the Arctic Opportunities Initiative, designed to build local capacity, foster economic development, and drive business opportunities. Arctic-related activities will continue to be led by industry and academia, with strong support from the Provincial Government, promoting an approach that is collaborative, environmentally responsible, sustainable, and respectful.

This issue contributes to the strategic direction of Small and Medium Sized Enterprise Supports; Regional Diversification and Industry Growth; and Innovation; especially in the areas of capacity building, innovative culture, entrepreneurship and intra-governmental and multi stakeholder coordination.

**OBJECTIVE 3:**

By March 31, 2014, IBRD will have implemented collaborative initiatives that support regional and industry development.

**Measure:**

Implemented collaborative initiatives.

**INDICATOR 1:**

Lead or participate in supplier development initiatives that support regional or industry development in relation to key sectors of the province

The Supplier Development Program expanded its outreach across all regions of the province by offering online training for provincial businesses on the topics of public sector procurement and the bidding process, as well as contractor safety management when working on the site of large industrial projects. The program also delivers on the ground information and networking sessions in various regions of the province.

IBRD through its Supplier Development Program, helped provincial businesses identify supply opportunities relating to industrial projects and key sectors within the province, and assess their level of supply-chain readiness. The recently introduced supplier development model focuses on enhanced stakeholder engagement, promoting awareness of the various opportunities resulting from large-scale projects, assessing the capabilities and capacities of provincial firms and identifying how the programs and services of the Department can be applied to help build local capacity. Supplier development committees have been established to implement action plans that support this new direction.

Some initiatives undertaken by the Department to support supplier development are:

- The Department provided support to NLOWE to develop and implement the Business Connections program, aimed at women business owners who are currently selling

business-to-business and are considering expansion or growth through supplier diversity initiatives or entering the global supply chain. In 2013-14, support continued for this project and since inception in 2011-12, it has been delivered to 44 women business owners in seven communities in the province. IBRD worked closely with NLOWE to encourage women-owned businesses to consider certifying as a diverse supplier. This certification will identify companies and enable them to leverage the growth opportunities available to them by multi-international corporations. IBRD and NLOWE have trained and coached many women-owned companies throughout this past year to help build their capacity for growth and to sell successfully into the global supply chain.

- Comprehensive diagnostic review provided by BR&E, assisted in uncovering issues related to supplier development. Based on that the clients were linked to available information and resources.
- The CANSEC Trade Show, Ottawa June 2013 and DEFSEC Trade Show, Halifax, Sept 2013 were attended by IBRD staff to learn about Aerospace and Defence industry supplier development opportunities including ship building.
- IBRD partnered with the Department of Natural Resources to host a Service Providers Forum during Mineral Resources Review 2013 in St. John's. This forum provides service providers with an opportunity to highlight new innovative products, supply and services and technologies that could be beneficial for mining and exploration projects.
- Business forums in Deer Lake and St. John's were also developed around leveraging the opportunities that arise from the development of industrial projects, including the exploration of joint ventures and partnerships. The *Meet.Connect.Explore* forum held in St. John's included a business panel on joint ventures and partnerships, a reverse trade show, a business-to-business speed networking session, and workshops on lean practices and the requirements of industrial regional benefits agreements.
- A reception was also hosted at Northern Lights in Ottawa to provide a forum for local firms to interact with national and international companies to explore the benefits of joint ventures and partnerships.
- Roundtables were conducted in Baie Verte, as a pilot, with mining and exploration companies and supply and service providers to identify the opportunities and challenges in supplying the mining industry and for furthering supplier development.
- Webinars were conducted to help local businesses learn more about the procurement and bidding processes, and the supply and service requirements of the provincial and federal governments and Nalcor Energy.
- The Department participated in the 2013 Atlantic Provinces Reverse Trade Show in Fredericton, New Brunswick. This event provided businesses with the opportunity to explore the public sector market outside of their home province. Businesses had the opportunity to meet with key buyers in Atlantic and federal governments as well as the broader provincial public sector.

- IBRD participated in a number of supplier development related events to develop business relationships, gather business intelligence, and promote awareness of the Department's supplier development program, such as the NLOWE Annual Conference, Northern Lights, Expo Labrador, Prospectors and Developers Association of Canada (PDAC), Qalipu Aboriginal Entrepreneurs Business Forum, and Baie Verte Mining Conference.
- IBRD continued to promote and lever opportunities for local companies to supply goods and services to Bombardier as part of the \$32 million Industrial Benefits Agreement with Bombardier.

**INDICATOR 2:**

Allocated funding of \$6.3 million over fiscal years 2013-14 and 2014-15 to further the work with partners to advance the Rural Broadband Initiative

Budget 2013 committed \$6.3 million over two years to advance the RBI and further improve the province's telecommunications environment.

Through a \$160,000 investment, fixed wireless broadband access was made available to an additional 14 unserved areas, representing 584 households located in St. Barbe, Placentia - St. Mary's, Port au Port, Lewisporte and Grand Bank. In 2013-14, Bell Aliant and the Governments of Newfoundland and Labrador, Canada, announced a partnership to support a \$4 million initiative to enhance broadband coverage to over 2,000 households on the Connaigre Peninsula.

**INDICATOR 3:**

Commenced the development of a provincial Arctic Action Plan

As the lead for the Arctic Opportunities Initiative, IBRD remained committed to developing an Arctic Action Plan, reflective of input from stakeholder groups. It was also recognized that appropriate Aboriginal engagement is critical to ensuring that Aboriginal expertise and roles related to northern economic development are clearly understood and respected.

While this engagement continued and partnerships were established, a variety of activities have been undertaken by IBRD that will inform the development of the action plan, engage key stakeholders and strengthen the province's position as the path to the Arctic, including:

- RDC, Memorial University/MI and the Nunatsiavut Government became partners in the Arctic Opportunities Initiative;
- Correspondence with Minister Leona Alguikkaq, Chair of the Arctic Council, and several high-level officials has taken place to indicate support for the chosen theme of "Development for the People of the North", raise Newfoundland and Labrador's Arctic profile within the Federal Government and advocate for the inclusion of local expertise in this work;
- Work has begun on the identification of mutual areas of interest with other northern jurisdictions that have potential for future partnership opportunities for local stakeholders;

- Rebranding of the Arctic Opportunities Initiative is underway to differentiate the province from other jurisdictions, inspired by Newfoundland and Labrador's unique location and successful development in Iceberg Alley. This rebranding also effectively showcases the abundant Arctic-related expertise the province has to offer in a variety of sectors in support of growing business activity in the Arctic.
- IBRD has continued to work with stakeholders and industry associations such as Newfoundland and Labrador Oil and Gas Industry Association (NOIA) and ADIANL to promote the province through sponsorship and participation at key Arctic-themed events, such as Northern Lights, ATC, OTC, Arctic Oil and Gas North America, Arctic Shipping North America Forum, Maritime and Arctic and Safety Conference 2013 (MASS 2013), ISO plenary, Expo Labrador, Northern Exposure, and the Arctic Circle Conference.

#### INDICATOR 4:

Delivery of an enhanced BR&E work plan, enhanced opportunity management work plan and a co-operative development work plan

**BR&E Work Plan:** A key priority for IBRD was to conduct direct BR&E diagnostics with businesses, and providing linkages for businesses to programs and services offered by the Provincial Government and industry stakeholders. In 2013-14, IBRD continued to deliver a comprehensive BR&E work plan to businesses throughout all regions, including an enhancement with the addition of sector initiatives that laid out objectives for specific sectors, regions, time frames, targets and responsibilities for ongoing activities.

**Opportunity Management Work Plan:** An enhanced Opportunity Management (OM) work plan was delivered including departmental training, targeted sector sessions, and applications to the BR&E process. For example, a review of BR&E sector findings was used to inform an OM process with industry and community leaders, including development of an action plan. In addition, the CCB Program funded seven OM and identification sessions to approximately 177 participants throughout the province. Non-financial supports were also provided by IBRD staff such as facilitation of opportunity identification and economic planning processes with multiple community partners.

**Co-op Development Work Plan:** Under a five year MOU with the NLFC, the Department focused on promotion and development of the co-operative sector. IBRD worked with NLFC to develop and deliver an operational work plan for 2013-14. Highlights included implementation of a targeted BR&E process for existing co-ops; engaging new partners for promotion and awareness of the co-op; and delivery of co-op training to groups interested in forming a co-op. In 2013-14, the CCB Program provided funding for eight co-operative development sessions in various regions of the province.

**INDICATOR 5:**

Supported regional and industry development through Community Capacity Building training sessions to clients throughout the province

In 2013-14, 78 projects were approved under the CCB program, including 66 clients from development associations, municipalities, industry associations, chambers of commerce, not-for-profit community groups, and co-operatives. In total, the program was utilized by approximately 1,562 participants. Program modules were categorized under four themes: Strategy & Planning, Relationship Building, Organizational Skills & Management, and Co-operative Development. In 2013-14, the most recent module, Financial Management, was piloted in several areas of the province.

**INDICATOR 6:**

Number of initiatives supported and financial investments made for regional economic development initiatives

The Regional Development Program provided funding to not-for-profit organizations to advance key economic development initiatives in all regions throughout Newfoundland and Labrador by way of non-repayable contributions. In 2013-14, the RDP approved 129 new projects (117 clients) totaling \$10,864,242. Funding supported initiatives such as the Regional Growth Strategy for Labrador West, and infrastructure development for the Fortune Port Corporation.

The regional breakdown is provided below:

Region	Total Project Value (\$)	Amount Approved (\$)	Amount Leveraged (\$)
<b>Avalon</b>	<b>6,021,123</b>	<b>2,418,823</b>	<b>3,576,462</b>
<b>Central</b>	<b>2,874,810</b>	<b>787,099</b>	<b>1,932,712</b>
<b>Eastern</b>	<b>3,929,856</b>	<b>1,450,924</b>	<b>2,270,129</b>
<b>Labrador</b>	<b>2,488,663</b>	<b>747,679</b>	<b>1,715,984</b>
<b>Western</b>	<b>13,315,777</b>	<b>2,160,831</b>	<b>10,621,003</b>
<b>Pan-Provincial</b>	<b>11,466,109</b>	<b>3,298,886</b>	<b>7,425,091</b>
<b>Total</b>	<b>40,096,338</b>	<b>10,864,242</b>	<b>27,541,381</b>

(Note: Total leveraged amount includes Federal Government and private sources and client contributions. Other provincial sources are not included in amount listed above)

IBRD also committed funds to support eight key provincial sector organizations, these are: ADIANL; CME; Craft Council of Newfoundland and Labrador; NATI; Newfoundland and Labrador Environmental Industry Association (NEIA); NLFC; NLOWE; and, Oceans Advance (OA). These organizations are working on the ground with municipalities, businesses, educational institutions and community groups to build industries and expand businesses.

In 2013-14, CCB investments from IBRD spanned 78 projects and 66 clients with approvals valued at \$331,022 (\$217,053 disbursed), to support regional economic development.

#### **INDICATOR 7:**

Undertaken a Council of Atlantic Premiers' international business development mission to Brazil

**CAP Mission:** Brazil is one of the world's fastest growing economies and has one of the most active offshore oil and gas regions in the world with a projected investment of over \$220 billion over the next five years. For this reason, the Department has been active in Brazil since 2009, working to identify, evaluate and map opportunities for Newfoundland and Labrador companies and organizations. The Atlantic Premiers also recognize the vast opportunities in Brazil and led a CAP trade mission to Sao Paulo and Rio De Janeiro, Brazil on October 21-25, 2013. The provincial business delegation included twelve business and education delegates.

This mission supported the Department's long-term approach to the market by providing a high profile event for Newfoundland and Labrador companies and organizations already actively pursuing opportunities in the country. Participants were able to advance business relationships and secure meetings that may not have been previously available. Some notable outcomes of the mission included the signature of a MOU between Memorial University and University of São Paulo on bioscience, and productive meetings identifying multiple business development opportunities for participating companies with Brazilian counterparts.



**INDICATOR 8:**

Worked collaboratively with ACOA, municipalities, and other relevant stakeholders to address the specific investment opportunities in the province

IBRD collaborated and consulted with ACOA, BDC, and other lending institutions on investment proposals that were assessed by the Department. Input was received from relevant government stakeholders, including the Departments of Finance and Justice, on investment proposals.

The Department also worked with the Atlantic Provinces and ACOA under the IBDA agreement to develop projects that were mutually beneficial to all provinces. This included two international trade shows and EU market research. Partnering with ACOA, IBRD has been able to leverage funding to grow and develop several international business initiatives to become larger in scope and more relevant for clients.

The stakeholder committees including the supplier development committees of IBRD includes representation from various partners like ACOA, Nalcor, Natural Resources, and relevant industry associations.

The municipal investments through IBRD's RDP in 2013-14, was \$1.2 million for 14 new economic development initiatives with municipalities. Sixty percent of the RDP initiatives approved (78) had ACOA as a funding partner. RDP contributed approximately \$9.4 million to these 78 projects, which leveraged more than \$12 million in Federal Government funding from ACOA. IBRD and ACOA met regularly to discuss projects which are of a common interest. Discussion on files occurred between IBRD and ACOA at all levels, including field officers up to Executive level. Discussions often led to joint funding partner meetings with the client to discuss objectives and activities of the project, financial details, and expected outcomes.

**GOAL:**

The goal indicators include the initiatives and activities that the Department undertook in the last three fiscal years from 2011 to 2014.

**GOAL TWO:**

By March 31, 2014, IBRD will have strengthened capacity within regions to support regional sustainability.

**Measure:**

Strengthened capacity within regions.

**GOAL INDICATOR: 1**

Initiatives undertaken to support innovation, entrepreneurship and regional economic development

The Department continued to undertake initiatives to support innovation and entrepreneurship. Initiatives included funding to Kick\$tart, a program provided to youth, who would otherwise not receive support because of age, risk, type of business (sole proprietorship/partnership, corporation) or stage of business. The program is administered by the Community Business Development Corporations (CBDC's) and the Newfoundland and Labrador Association of Community Business Development Corporations (NLACBDC). It provides loans of up to \$5,000 to young people through local CBDC offices across the province. Since 2011-12 IBRD contributed \$100,000 towards the program.

Young Entrepreneurs and Innovators Program (YEIP) was started by IBRD in 2010 to provide support to entrepreneurs and youth-focused organizations to encourage entrepreneurship and innovation. Initially funded through the Youth Retention & Attraction Strategy (YRAS) and later through the Business Development Supports (BDS).

Since 2011-12 YEIP has contributed to 77 projects, \$636,411 was approved. Through the Innovation Strategy, *Innovation Newfoundland and Labrador: A Blueprint for Prosperity*, the Department provided support for youth innovation. Inspiring young people to become involved in science and technology projects is a key component to creating a culture of innovation. Since 2011, the Department has invested approximately \$1 million to support 53 youth-driven innovation projects in regions throughout the province. An additional Youth Innovation Call for Applications was issued in March 2014 with a budget of \$400,000.

IBRD also launched the *Innovation Lives Here* campaign. The campaign focused on promoting the innovative work being done by industry, educational institutions and communities in Newfoundland and Labrador.

IBRD provided \$10,000 annually for the Enterprise Olympics program of the YMCA of Northeast Avalon. The program introduced and encouraged entrepreneurship to elementary and secondary students. Students developed business ideas, explored issues around business and their communities, and developed full scale marketing plans for potential business opportunities.

Among its various efforts of supporting economic development, IBRD partnered with the City of St. John's and ACOA and contributed \$25,000 through the Regional Development Fund towards a national Economic Developers Association of Canada (EDAC) conference. The conference provided opportunities for members to increase their professional knowledge, communicate best practices, and to be recognized for achievements in their field.

### GOAL INDICATOR: 2

Enhanced innovation programs

In 2011-12, under the provincial innovation strategy, *Innovation Newfoundland and Labrador: A Blueprint for Prosperity*, IBRD enhanced its innovation-focused programs by adding two new programs: Innovate and Demonstrate and Technology Utilization, to the existing Innovation Enhancement and Commercialization programs. The Innovate and Demonstrate program helped local businesses better target supply chain opportunities within such public sector organizations as Provincial Government Departments and Agencies, Crown Corporations, Municipalities, Academic Institutions, School Boards and Health Care Facilities. Local businesses showcased their innovative solutions and demonstrated how their technology or product can be used in an operational setting as they bring their products to market. The Technology Utilization program assisted businesses by increasing their technology capacity to improve business processes, product quality, efficiency, and competitiveness. The program also enabled businesses to utilize technology that helps them become energy efficient and reduce emissions.

In 2013-14, IBRD consolidated over 20 programs into the BIF and the RDF. Therefore, activities funded under the Department Innovate and Demonstrate and Technology Utilization programs are now eligible for funding under IBRD's newly consolidated funds.

### GOAL INDICATOR: 3

Led implementation of the Air Access Strategy

The Department continued implementation of the Air Access Strategy. Under the five-year Air Access Strategy, *Taking Flight*, aimed at enhancing air access to, from and within Newfoundland and Labrador. IBRD provided guidance, air carrier data and provincial industrial activity insight to all the provincial airport authorities, in support of their growth endeavors. Additionally, the Department consulted with various air carriers interested in offering new routes or growing seat capacity to the province.

The Department's focus on the *Air Access Strategy* shifted for 2013-14 from managing funding programs to providing industry support and direction. However, funding was approved for three airport-related initiatives from the current RDF.

**GOAL INDICATOR: 4**

Funds invested, leveraged, and services provided to build regional capacity for economic development

Building community capacity is important for economic development. In 2011-14, 313 CCB sessions were held throughout the province, for which IBRD disbursed \$775,099, with 740 participants attending these sessions. In this period, under the CCB program, a new module, Financial Management was developed and piloted. The module was delivered in partnership with the Organizational Support Services Co-operative (OSSC) to various groups.

Since 2011, IBRD has provided more than \$19 million in funding through its RDP to not-for-profit organizations, municipalities, sector organizations and other community-based groups for the implementation of more than 300 economic development initiatives. This investment has leveraged more than \$52 million from the Federal Government, private sources and client contributions during 2011-14, as shown in the table below:

Year	Total Project Value (\$)	IBRD Amount Approved (\$)	Total Leveraged Amount (\$)	Program
2011-12	22,573,249	4,811,887	15,059,471	RSDF
2012-13	14,860,109	3,728,304	9,711,328	RSDF
2013-14	40,096,338	10,864,242	27,541,381	RDP
<b>Total</b>	<b>77,529,696</b>	<b>19,404,433</b>	<b>52,312,180</b>	

**Notes to Financials:**

Total leveraged amount includes Federal Government and private sources and client contributions. Other provincial sources are not included in amount listed above. In addition there was \$367,773 approved from 2011-14, through amendments to previously approved projects. (Regional Sectoral Development Fund (RSDF) has been replaced with the RDP in 2013-14)

Through its other programs and initiatives, IBRD continued providing assistance for economic development. During 2011-14:

54 SME Fund loans were approved for \$8,784,728;

6 Business Attraction Fund (BAF) loans were approved for \$8,325,000;

53 FLGP guarantees of \$44,014,952;

13 Air Access Development Program (AADP) loans approved for \$1,711,450;

3 Aerospace and Defence Development (AADF) loans with approval of \$1,500,000;

2 Oil and Gas Manufacturing and Services Export Development Fund (OGEDF) loans with approval of \$1,000,000;

(SME Fund, BAF, AADP, ADDF and OGEDF were former IBRD funding programs for the 2011-13 fiscal years. They are now consolidated under RDF and BIF.)

**GOAL INDICATOR: 5**

Supported collaborative initiatives for regional and industry development

The Department collaborated with industry associations, not for profits and with all level of governments to provide support for regional and economic development. Since 2011-12, WSEP has contributed \$1,333,002 to 11 CME initiatives. These projects have served dozens of companies and hundreds of employees with the primary focus being lean manufacturing, making companies more productive, hence more profitable, without necessarily having to increase resources.

Under the Manufacturing Insights, 24 sessions were held in fiscal years 2011-14 to raise awareness of the resources available to assist the manufacturing sector of the province.

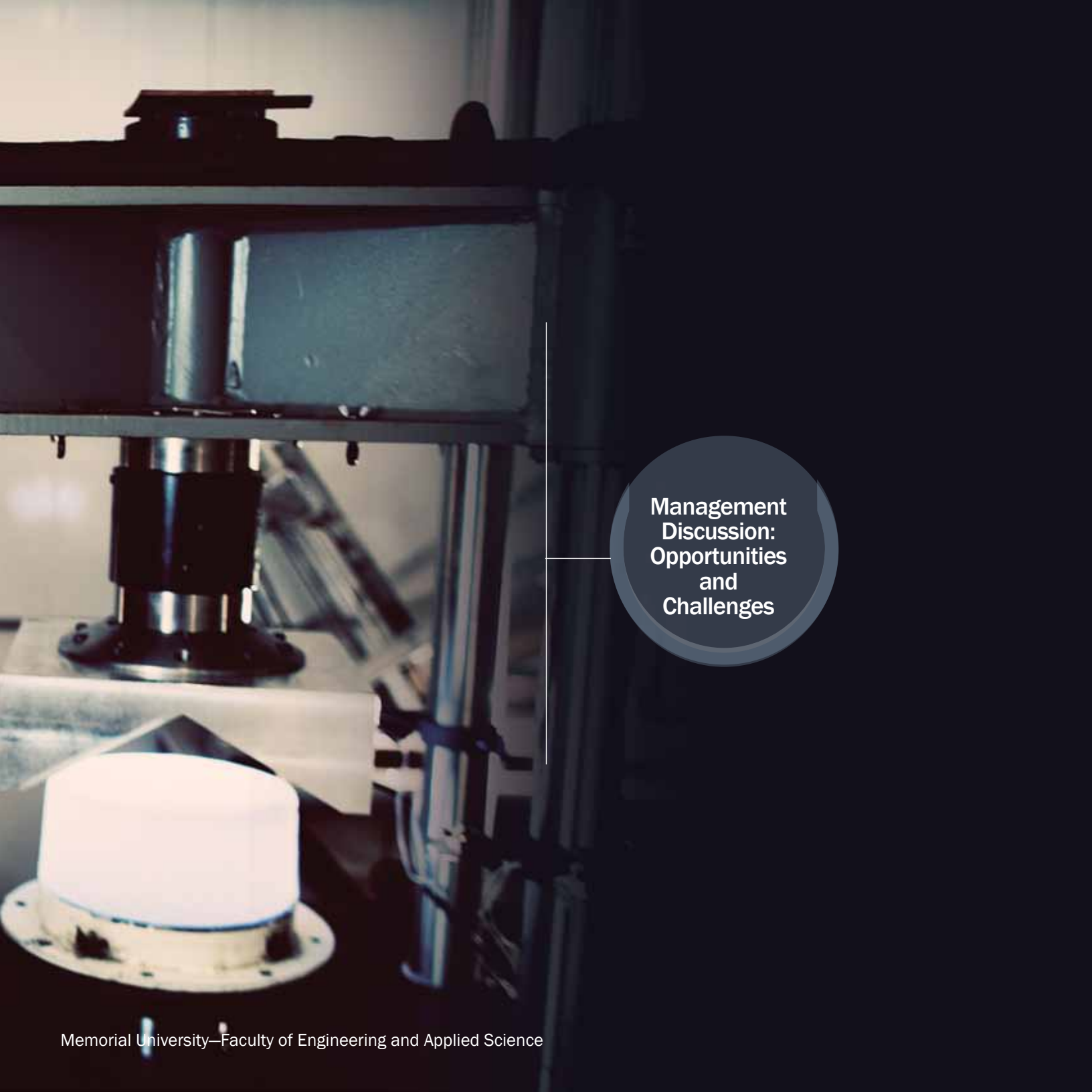
Since 2011-12, WSEP has invested \$213,805 with the Newfoundland and Labrador Aquaculture Industry Association (NAIA). This investment has come as a series of smaller investments to support a phased approach to strengthening the aquaculture industry.

In addition to financial support provided to tourism initiatives, IBRD staff participated in many collaborative efforts with sector partners, such as Hospitality Newfoundland and Labrador (HNL), Destination Management Organizations (DMOs) and the Department of Tourism, Culture and Recreation. IBRD participated on the provincial Tourism Board, as well as several local tourism planning committees throughout all regions. Skills development and training requirements within the tourism sector have been identified as a priority in the industry. Using programs such as IBRD's WSEP, over \$140,000 was invested in eight separate industry initiatives, which spanned the entire province.

In 2011, IBRD partnered with the Department of Child, Youth, and Family Services (CYFS) on the development and delivery of a pilot information session focused on the business of family child care, including small business development, available government supports, taxation and insurance issues. Since that time, IBRD has worked with CYFS to identify opportunities for consideration of the co-op model as an approach for daycare. IBRD has facilitated discussions including CYFS and NLFC.

The BR&E initiative generated sector reports to assist in regional economic development. A Labrador Tourism sector final report was completed, forming the basis for an OM process that helped identify regional and sector priorities by stakeholders in collaboration with a destination management organization, Destination Labrador.





**Management  
Discussion:  
Opportunities  
and  
Challenges**

The upcoming fiscal year will present a number of opportunities and challenges for IBRD to navigate as it delivers on its mandate.

### **Regional Economic Development.**

Supporting the development and growth of sectors and regions are key priorities of the Department. This includes a continued focus on business retention and expansion, as well as engagement with municipalities and other community groups to identify economic development opportunities, and explore long-term economic diversification and new linkages within sectors and regions.

Working to advance business and community development opportunities, IBRD staff often plays a key role in facilitating processes for multiple partners. It is extremely important for IBRD to continue being proactive in enhancing collaboration between the business community and non-profit organizations, including municipalities and industry associations. IBRD staff often deal directly with both the individual businesses in a region or sector, as well as the non-profit stakeholders in the same environment. As such, IBRD is uniquely positioned to identify linkages among all players and to facilitate partnerships to advance such opportunities.

In addition to daily regional and business development activity, IBRD provides support for unanticipated industry changes, such as the closure of an iron ore mine in western Labrador in 2013-14. In this example, IBRD was a participating member of the Task Force responsible for mitigating the impacts of the closure. IBRD works closely with other line departments and community stakeholders to advance identified initiatives. IBRD will continue to be a committed and responsive partner for industry adjustment on behalf of the Provincial Government.

### **Program Delivery and Adjustment.**

Following the introduction of new streamlined programs, guidelines and policies were developed and have proven to be effective based on economic development investments during this fiscal year. Presentations about IBRD's programs to current and potential clients throughout Newfoundland and Labrador are ongoing.

IBRD will regularly review programs, policies, and guidelines to ensure relevance and efficiency. One area of focus will be the FLGP program and the increased uptake since program enhancements occurred in 2012. Since these enhancements were implemented, there has been a



significant uptake in loan guarantees provided in support of harvesters in the fishing industry throughout the province. During the upcoming year, the Department plans to review the program to ensure it meets established objectives. In addition, as a result of recently announced significant quota reductions to the shrimp fishery, IBRD will be working closely with the Department of Fisheries and Aquaculture to monitor this situation and manage risk appropriately with regard to guarantees issued under the program.

The EDGE program will be another focus area during 2014-15. A significant effort will be made to identify areas for continued enhancement to the program as a result of its recent evaluation. The program is IBRD's priority as it provides incentives to encourage significant new business investment in the province to help diversify the economy

and stimulate new private sector job creation, particularly in rural areas.

The Federal Budget of 2014 announced discontinuance of the Business Immigration Program, potentially affecting IBRD's ability to administer the Immigrant Investor Fund. While the Province will continue to receive funds from Citizenship and Immigration Canada (CIC) for 2014, the Department is awaiting further details on the program discontinuance and impacts on potential investments from CIC.

Promotion and awareness of IBRD programs and services must remain a focus. The Department is committed to communicate the supports that are available to all potential clients during the upcoming fiscal year.



## Innovation and Strategic Industries.

Innovation is essential to competitiveness and growth. In a company setting, it takes many forms that range from product and service design, to creative human resource practices, to innovative marketing strategies. In today's global economy, firms must be more diligent than ever to be aware of what is changing in their environment, and be prepared to adapt and change. They need to continually seek to understand, embrace and deploy new ways of doing things. The Department will continue to play a key role in supporting firms' ambitions in these pursuits.

In terms of firm productivity, the Department will continue to assist its partners to strengthen focused business networks, and to increase the number of networks that are focused on productivity improvement goals. This work is key to process and organizational innovation. The focus will also be on increasing the scope and quality of resources made available to the network members to improve their bottom line.

High speed connectivity is essential to business, particularly in rural Newfoundland and Labrador where there is often considerable distance to markets, suppliers and competitive intelligence. In 2013-14, the province achieved 95 percent coverage by population for using wire-line and wireless technologies. This work will continue through 2014-15, increasing to 98 percent coverage, with the awarding of contracts through third call for proposals under RBI.

IBRD's supplier development program will continue to help bridge procurement opportunities to the provincial supply community. With record levels of capital project activity in

the province, supplier development has increased its focus on the major project activity.

IBRD approaches economic development through a sector-based lens. Using a variety of programs and policy levers, we will continue to work collaboratively with a broad collection of key stakeholders to facilitate growth and lower barriers to commercial opportunities for IBRD's clients. While the Department employs specialists in key sectors, it will work with other Provincial Government departments that have lead responsibilities in other sectors to identify the greatest opportunities for growth.

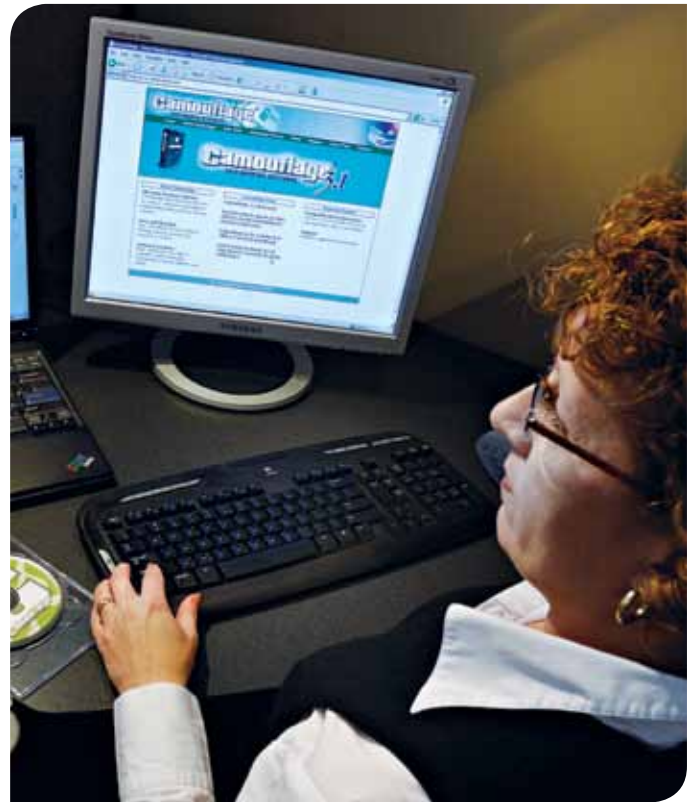


## Trade and Investment.

Companies looking to an international market do so for a variety of reasons—by exporting goods and services they can achieve higher sales and growth rates; sourcing from global suppliers can reduce costs, increase productivity and profitability; and, significant sources of investment exist in international markets that may not be available locally. IBRD provides leadership and support in helping clients achieve these goals. The role of the Department reaches well beyond direct support to clients as it advances the province's trade agenda. It also provides leadership in policy, planning and development relative to market access, investment promotion, trade infrastructure, and national/international relations, which is critical to reaching the objective of developing successful businesses.

Canada has embarked on an ambitious agenda of free trade and investment protection negotiations in order to provide Canadian companies greater and easier access to international markets. This will provide local enterprises significant opportunities in markets spanning the globe. As the lead for trade and investment services for the province, the Department will be looked to by the private sector for direction, support, and services to capitalize on these opportunities. Market research, opportunity identification, counseling and support services, and in-market activities will be required by the private sector for a wide variety of new and emerging markets.

Continued investment is critical to the future growth of Newfoundland and Labrador's economy. Provincial resource sectors are thriving, and thereby providing the revenues necessary to allow the province to invest in real diversification. Major companies from around the



world look to the Province as a partner in providing the resources necessary to drive global development—particularly in emerging economies. The Department will work to capitalize on the major projects that are currently underway, and leverage the presence of some of these businesses that are operating in Newfoundland and Labrador today. Investment attraction continues to be a key priority, and IBRD's focus will be to capitalize on the economic success of the province to attract new investment, and to find new ways to engage national and multi-national firms to build a global footprint in Newfoundland and Labrador.

## Oceans and Arctic Opportunities.

Newfoundland and Labrador is recognized internationally for Ocean Technology expertise. The ocean has shaped Newfoundland and Labrador's culture of innovation, which has led to outstanding infrastructure and technologies. This sector enables activities and expansion in key industries such as: oil and gas, fisheries and aquaculture, transportation, environment, marine recreation and tourism, and defence and security.

Newfoundland and Labrador has a cluster of world-renowned institutions, companies, and industry organizations. The province's expertise in ocean observation, remote sensing, ice surveillance, communications and navigational systems, autonomous underwater vehicles, and marine simulation is making waves globally and has put Newfoundland and Labrador on the world map for advancement in ocean technology.

IBRD will continue to work with OceansAdvance, academic and research institutions, RDC and other Provincial Government departments, federal agencies, local industry and other stakeholders to identify areas of opportunity for growth. This will include continued support for private sector R&D and commercialization efforts; working with partners to help support new start-ups and young entrepreneurs; collaborating with partners such as the NL Angel Network, Atlantic Canada Venture Gateway and Venture Newfoundland and Labrador to help improve opportunities for access to private capital; positioning the province as a leader in ocean technology locally and globally; exploring more focused opportunities for joint ventures, partnerships and foreign direct investment; and continuing partnerships

throughout the province to facilitate additional growth related to ocean technology.

The Arctic is a region of intense international focus and growing economic development. The impacts of climate change and technological advances make the region and its natural resources more accessible, with much attention focused on oil and gas, fisheries and mining. Newfoundland and Labrador is ideally located for Arctic-related activities, having international and northern sea routes with operational expertise in remote and Arctic-like conditions, industrial infrastructure to support a growing energy sector, and centers of excellence in safe and sustainable resource development.

Partnership and collaboration is critical to future economic growth and ensuring that northern communities benefit from new opportunities. After significant consultation with stakeholders, the Provincial Government is focused on three strategic directions under its Arctic Opportunities Initiative: positioning the province as the Path to the Arctic, building capacity and fostering economic development and business opportunities. Newfoundland and Labrador will continue to establish strategic alliances with other northern jurisdictions to distinguish the province from its competitors, benefit local stakeholders, and attract interest from global industry.





## Financial performance

### IBRD expenditure by main allocation

Line Item	Source of Expenditure	Original Estimate (\$)	Amended Estimate (\$)	Actual (\$) (Unaudited)
1.1.01.	Minister's Office	325,200	487,400	410,359
1.2.01.	Executive Support (Less Revenue)	1,066,800	1,165,100	1,153,191
1.2.02.	Administrative Support (Less Revenue)	836,000	734,400	634,645 (6,869)
1.2.03.	Policy and Strategic Planning (Less Revenue)	763,800	751,000	653,120
1.2.05.	Administration Support Capital	20,000	51,300	50,990
2.1.01.	Trade and Export Development (Less Revenue)	4,644,500 (300,000)	4,554,200 (300,000)	4,196,959 (313,695)
2.1.03.	Marketing & Enterprise Outreach	1,090,400	1,061,800	966,831
2.1.04.	Business Attraction Fund	15,000,000	14,560,000	1,875,179

3.1.01.	Business Analysis (Less Revenue)	1,233,300	1,395,800	1,309,066 (652)
3.1.02.	Investment Portfolio Management	4,278,200	4,261,600	4,238,278
3.1.03.	Strategic Enterprise Development Fund	16,229,000	16,229,000	0
4.1.01.	Innovation, Research And Technology	5,448,900	5,805,900	3,255,690
4.2.01.	Strategic Industries Development	1,113,100	1,371,900	1,251,793 (2,370)
5.1.01.	Regional Economic Development Services	1,128,000	1,020,600	955,473
5.2.01.	Business & Economic Development Services	5,107,000	5,323,100	5,144,727
5.3.01.	Comprehensive Economic Development	12,549,600	15,776,400	15,759,947
6.1.01.	Ocean Technology Initiative	726,400	580,400	545,182
7.1.01.	Research and Development	22,026,000	22,026,000	22,026,000
<b>Gross Budget</b>		93,586,800	97,155,900	64,427,430
<b>Related Revenue</b>		(300,000)	(300,000)	(323,586)
<b>Net Budget</b>		93,286,200	96,855,900	64,103,844

Source: Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for the Year ended 31 March 2014.



Newfoundland  
Labrador

Innovation, Business and Rural Development

