

## Guidelines and Eligibility Criteria



### Aerospace and Defence Development Fund (ADDF)

#### PURPOSE

Supporting capacity building in the Aerospace and Defence sector, the ADDF will provide for: increased export capability to bid contracts in the global marketplace; technology transfer opportunities; greater participation in Industrial Regional Benefit Programs; and, opportunities for clustering and diversification of the economic base. Capacity building is essential to the continued growth of the Aerospace and Defence industry and the beginning of an established presence in the global marketplace.

#### PROGRAM OBJECTIVES

The overall objectives of the ADDF are to:

- build capacity in the local Aerospace and Defence industry;
- expand aerospace and defence related supply and service capability into export markets;
- support commercialization and the introduction of new technologies and processes;
- enhance the economic sustainability of the aerospace and defence sector in Newfoundland and Labrador;
- encourage export investment in Aerospace and Defence industry;
- increase job opportunities and economic growth within the Aerospace and Defence sector through the development of new or expansion of existing capabilities; and,
- diversify capabilities in the sector to provide opportunities for clustering.

The Province of Newfoundland and Labrador has committed \$2 million in 2009/10 for the ADDF. Applications for funding under the program will be subject to assessment by the Department of Business and will not necessarily be accepted or approved.

#### ELIGIBILITY

Eligibility is limited to aerospace and defence companies. The business must, to the satisfaction of the Department:

- be duly registered company under the Newfoundland and Labrador Corporations Act or the Canada Business Corporations Act and legally entitled to conduct business in the Province;
- have operations situated in the province;
- demonstrate status as Tier 1 or Tier 2 firm in the Aerospace and Defence industry;
- demonstrate its ability to access the financial capital required to complete the project;
- demonstrate the ability to execute its business plan;
- contribute to the growth of the aerospace and defence sector through direct and indirect benefits;

- be able to demonstrate the managerial and financial capacity and commitment to undertake the work identified in the project proposal; and,
- be in good standing with the Province of Newfoundland and Labrador.

The project must:

- have a minimum total project investment of \$1,000,000; and,
- generate incremental local employment benefits and revenue.

Funding priority will be placed on projects that diversify and enhance capabilities within the local Aerospace and Defence industry; have advanced technology transfer potential that enhance export capability in the sector; position the company to be a qualified supplier with a national/international Aerospace and Defence company; support export-related commercialization, expand export market opportunities and create economic growth and employment in the Province's Aerospace and Defence industry.

### **AMOUNT OF FUNDING**

Successful applicants under the ADDF will normally be eligible to receive up to 50% of total eligible project costs in a non-repayable contribution. A higher percentage of up to 75% of eligible costs may be considered for projects which are outside of the Northeast Avalon region. **All funding offers are subject to the availability of program funds.**

### **USE OF FUNDS**

Eligible expenses include capital expenditures, arms length labour, professional fees and any other expenses specific to the project, deemed critical to a project's success and demonstrated as directly related to development and the export capability of the company's products and services.

### **INELIGIBLE ACTIVITIES**

The value of in-kind resources is ineligible for reimbursement under the program.

### **DISBURSEMENT OF FUNDS**

Successful applicants will be required to enter into a Contribution Agreement with the Department of Business prior to the disbursement of funds. The Contribution Agreement will outline the work to be performed and terms and conditions which the applicant must meet in order to be reimbursed for approved eligible project costs.

All contributions under the ADDF will be communicated to the public and all successful applicants under the Fund must agree to a public release of details of the level of funding received and the nature of the project supported.

Once a project is approved, the applicant must prepare and sign the Project Claim Form and submit it to the Department of Business for processing. All sources of funding received must be indicated on the claim form.

All claims for reimbursement of approved eligible costs must be supported by invoices for purchased goods and services or other appropriate documentation to support the project cost incurred to the satisfaction of the Department. On-site inspections of completed activities may be required prior to disbursement of funds.

Successful applicants must conduct all project activities in an environmentally sound manner. It will be the applicant's responsibility to meet all regulatory requirements, obtain required permits (municipal, provincial, and federal), and ensure environmental compliance for any project approved under the Fund.

## **INFORMATION REQUIREMENTS**

Applications for funding must be accompanied by the company's detailed business plan which will generally include the following information:

- Introduction
- Project Description and Background
- Detailed Business Plan including:
  - Business Overview
  - Marketing and Promotional Plan
  - Human Resources Plan
  - Manufacturing and/or Operations Plan
  - Financial Plan (Historical and Proforma)
  - Supporting Documents

It is the applicant's responsibility to ensure that all information is included to avoid delays in the project assessment.

## **HOW TO APPLY**

Businesses wishing to access funding should consult with the Department of Business to determine eligibility for assistance under the ADDF. Project proposals must be submitted to the Assistant Deputy Minister, Department of Business, for review and evaluation. Proposals and supporting documentation supplied by the applicant will be assessed against the program objectives and eligibility criteria.

Inquiries may be directed to:

Department of Business, Government of Newfoundland and Labrador

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