



*NATURAL RESOURCES CANADA - INVENTIVE BY NATURE*

# Investments in Forest Industry Transformation (IFIT) Information for Applicants

## Call for Proposals 3



Natural Resources  
Canada

Ressources naturelles  
Canada

Canada

# Objective of the Presentation

IFIT

- Overview of the IFIT program and selection process
- Please consult the IFIT Applicant's Guide for more details



Natural Resources  
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# Previous IFIT Program Overview

## IFIT

- Non-repayable contribution program through Canadian Forest Service in Natural Resources Canada
- IFIT objectives are to:
  - Demonstrate and deploy first-in-kind technologies in the Canadian forest sector;
  - Catalyze broader replication over time
  - Prove technical and economic feasibility to private investors
  - Improve sector competitiveness
- Under IFIT's two prior calls for proposals:
  - 107 unique applications received
  - \$2B in total proposals received, \$550M requested from IFIT



# 2010-2014 IFIT Accomplishments

IFIT

- 14 projects funded across 5 provinces
- 60% are world first technologies
- 24% return on investment = \$66M/year in new revenue
- 75 jobs created / 2500 secured by investments
- 7.2MW renewable electricity capacity
- 60kt/year GHG reductions
- Over 10 new Canadian patents involved



# A Renewed IFIT Program

IFIT

- Budget 2014 confirmed renewed funding
- \$90.4 million over 4 years
- Program to fund the next wave of innovation
- Fundamentals remain the same with some minor implementation improvements
- 3rd call for proposals launched June 26, 2014



# Application Process

IFIT

## Phase 1: Expression of Interest Form

- Expressions of interest must be received by the Program by **TUESDAY, SEPTEMBER 9, 2014 at 5:00PM EDT**
- This is a mandatory document; the application will not be processed without it
- This is **not** a pass/fail measure
- Meant to assist applicants and NRCCan in ensuring that solid well-justified proposals are submitted



# Application Process

IFIT

## Phase 2: Call for Proposals

- Formal project proposals must be received by the Program by **THURSDAY OCTOBER 30, 2014 at 5:00PM EDT**
- Completed Proposal Form must be sent
- See the Applicant's Guide for more details



# Funding Streams

IFIT

## Stream #1 – Small Enterprises

- Fewer than 100 employees
- Fewer than \$50M/year in sales
- More streamlined financial due diligence process and risk mitigation plan
- Can apply for up to \$2M of IFIT funding

## Stream #2 – General

- For companies of any size





# Program Details

IFIT

- IFIT funds up to 50% of eligible project costs
  - Under previous iteration, average contribution by IFIT was 35%
  - Stacking limit is 100%
- Amount funded up to a max of \$20M per recipient
  - Max applies to funding received under all IFIT Calls for Proposals, but will need to be assessed on case by case basis
- Primarily, funding under IFIT was used for capital expenses, salaries and benefits, and professional services



# Eligibility and Mandatory Criteria IFIT

- Eligible recipients are:
  - companies that produce forest products
  - have at least one existing forest product manufacturing facility located in Canada (i.e. open or closed pulp, paper, panelboard or engineered wood products mills)
- Mandatory criteria are:
  - Project represents technological advancement (first time at that scale in Canada's forest sector)
  - Project located in Canada & integrated with forest industry
  - Project based on wood fibre



# Rated Criteria - Preference

IFIT

|                              |  |
|------------------------------|--|
| <b>Technical Feasibility</b> | Technical feasible that generate the desired outcomes.   |
| <b>Innovation</b>            | Greater innovation, commercial scale and greater Canadian innovation                                   |
| <b>Partnerships</b>          | Strategic partnerships especially between non traditional sectors and the higher leveraging the better |
| <b>Business Plan</b>         | Strong financial analysis and complete business plans  |
| <b>Fibre Supply</b>          | Consuming fibre from underutilized sources and/or not compromising supply                              |
| <b>Timing</b>                | Credible/defensible project schedules and/or completion prior to March 31, 2018                        |
| <b>Sector Diversity</b>      | Firms ineligible for Pulp and Paper Green Transformation Program                                       |



# Competitive Two-Part Evaluation Process

IFIT

## Part 1: Project Screening & Evaluation

- Each application screened for mandatory criteria (each criterion is pass/fail)
- Projects meeting all mandatory criteria are evaluated against rated criteria by Expert Review Panel
- Highly-ranked projects move to “short-list”
- All applicants informed of their status at end of Part 1.



# Competitive Two-Part Evaluation Process IFIT

## Part 2: Due Diligence Analysis

- NRCan will perform technical, environmental and financial analyses to support final funding decisions
- Part 2 is a confidential, bilateral process between IFIT & applicant
- Applicant must provide information in support of analyses in a timely manner
- Applicants applying for Stream #1, Small Enterprises will be subjected to a more streamlined financial risk assessment and risk mitigation plan



# Key Elements to a Successful Proposal

IFIT

- Be clear and concise when providing answers and have a well defined project scope
- Ensure corporate management supports project application
- Technical and financial supporting information helps credibility
- Have a clear path on how you will achieve project outcomes



# IFIT Application Process

IFIT

- Expressions of interest are due

**September 9<sup>th</sup> 2014, 17:00 EDT.**

- Call for Proposals closes

**October 30<sup>th</sup> 2014, 17:00 EDT.**

- All application packages must be complete to be assessed (see Applicant's Guide)



# IFIT Application Process

IFIT

- Download forms and Guide at:  
[www.forest-transformation.nrcan.gc.ca](http://www.forest-transformation.nrcan.gc.ca)
- Please check the website periodically throughout the call for proposals period for important updates as well as to view additional answers to application related questions





# Questions?

# IFIT

**IFIT@nrca-rncan.gc.ca**

**[www.forest-transformation.nrcan.gc.ca](http://www.forest-transformation.nrcan.gc.ca)**



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