



NORTHERN ONTARIO HERITAGE FUND CORPORATION (NOHFC)

Building Biomass Value Chains Workshop

The **Northern Ontario Heritage Fund Corporation** is an agency of Ontario's Ministry of Northern Development and Mines

The mandate of NOHFC is to partner with northerners to **create jobs** and strengthen the northern **economy** by:

- Leading strategic economic development initiatives that support the growth and sustainability of communities, businesses and industry
- Supporting northern community infrastructure
- Enhancing economic development capacity
- Stimulating commercialization, innovation and productivity; and attracting and retaining talent

NOHFC's current annual budget is \$100 million.

The NOHFC offers five programs:

1. Strategic Economic Infrastructure Program
2. Northern Community Capacity Building Program
3. Northern Innovation Program
4. Northern Ontario Business Opportunity Program
5. Northern Ontario Internship Program

With these programs, the NOHFC aims to empower Northerners to take on new challenges, invest in their communities and strive toward a more prosperous future for Northern Ontario.

Priority Sectors Identified in *Growth Plan for Northern Ontario (2011)*:

- 1. Advanced manufacturing**
- 2. Agriculture, aquaculture and food processing**
3. Arts, culture and creative industries
4. Digital economy
- 5. Forestry and value-added forestry-related industries**
6. Health sciences
7. Minerals sector and mining supply and services
8. Renewable energy and services
9. Tourism
10. Transportation, aviation and aerospace
11. Water technologies and services



Strategic Economic Infrastructure Program

Strategic Economic Infrastructure Program

This program supports:

- Infrastructure projects that best align with the vision of the Growth Plan
- Help create jobs and build capacity in our northern communities

Efficient and modern infrastructure is a cornerstone of a strong northern economy. The Strategic Economic Infrastructure Program helps a region or community to advance economic development opportunities and support investment through strategic infrastructure.

Strategic Economic Infrastructure Program

Who is Eligible

Partnerships and alliances comprising:

- Municipalities
- First Nations
- Indigenous organizations
- Local services boards
- Not-for-profit corporations
- Educational institutions
- Private sector businesses and organizations

What is Eligible

Strategic infrastructure projects that have a direct and demonstrable net economic impact in Northern Ontario, with a focus on job creation. Existing and emerging priority economic sectors aligned with the Growth Plan.

NOHFC Funding

The maximum investment from the NOHFC generally does not exceed the lesser of 50 percent, or \$1M, towards eligible project components.

FPIInnovations – TMP-Bio Pilot Plant

FPIInnovations is a not-for-profit world leader that specializes in the creation of scientific solutions to support the Canadian forest sector's global competitiveness

- Collaboration between FPIInnovations, NOHFC, FedNor, Resolute Forest Products, CRIBE, and Lakehead University
- Retrofitting existing mill building for a research and development facility to develop green bio-products derived from wood
- Specifically to demonstrate wood-sugar conversion to create a green bio-product as a substitute in industrial processes for petro-chemically derived sugars
- \$4.5Million invested from NOHFC



Northern Innovation Program

Northern Innovation Program

This program supports the development and commercialization of new, innovative technologies that will contribute to future prosperity in Northern Ontario.

Northern innovation fosters collaboration and partnering among:

- The private sector
- Academic institutions
- Research institutions

Preference is given to project falling under the following sectors:

- natural resources
- advanced manufacturing
- clean technology
- health sciences
- the bioeconomy
- the digital economy

Northern Innovation Program

Investment in support of research and development or commercialization activities is provided through four program subcomponents:

1. Opportunity Assessment Projects
2. Industrial Research Chairs
3. Applied Research and Technology Development Projects
4. Pilot Demonstration and Commercialization Projects

1. Opportunity Assessment Projects

This program helps Northern Ontario businesses with:

- Identifying opportunities for new technology development projects
- Providing vital decision-making information on the overall feasibility of the proposed project to justify additional investments of time and money

Who is Eligible

- Northern Ontario private companies.
- The service provider **must** be a Not-for-profit organization (i.e. colleges, universities, innovation centres, etc.) with the capability to complete all of the work associated with the Opportunity Assessment Report in-house.

1. Opportunity Assessment Projects

What is Eligible

Only fee-for-service costs associated with completing the Opportunity Assessment Report are considered eligible for NOHFC support. The report must examine the following factors:

- technical feasibility
- market feasibility
- financial feasibility
- operational requirements
- human resource requirements
- commercialization strategy

NOHFC Funding

NOHFC assistance is limited to 75% of eligible costs to a maximum of \$15,000 as a conditional contribution.

2. Industrial Research Chairs

This program establishes and enhances research capacity at Northern Ontario universities, colleges, and research institutes.

As capacity is developed, Northern Ontario will benefit from research leading to the transformation of Northern Ontario's key economic sectors, which will help attract and retain highly qualified personnel.

2. Industrial Research Chairs (IRCs)

Who is Eligible

Northern Ontario universities, colleges and research institutes with private sector partner.

What is Eligible

IRCs are eligible for funding up to five years in duration.

Chairholders must be recognized as international leaders in their fields with extensive research experience.

Eligible Projects must fit with the applicant institution's strategic research plan.

NOHFC Funding

NOHFC will provide assistance for up to 50% of eligible costs to a maximum of \$1 Million as a conditional contribution.

Lakehead University – Industrial Research Chair in Green Chemicals and Processes.

- **Lakehead created a five-year IRC position which will focus on ways for pulp and paper and mineral processing industries to reduce their environmental impact**
- **Partnership with industry, other public sector research partners**
- **Position supported by 16 new jobs**
- **NOHFC investment of more than \$814,000**

3. Applied Research and Technology Development Projects

This program assists Northern Ontario businesses to undertake applied research or pre-commercialization activities required to further develop their new, innovative technologies and move them to market.

Who is Eligible

Private companies alone or in partnership with an Ontario academic or research institutions are eligible to apply.

What is Eligible

Eligible cost include Internal technical labour for up to 1 year, prototype costs, product testing and intellectual property protection costs.

NOHFC Funding

NOHFC assistance is limited to 50 per cent of eligible costs to a maximum of \$250,000 as a conditional contribution.

4. Pilot Demonstration & Commercialization Projects

This program helps Northern Ontario businesses:

- Reduce the technical and financial risks associated with scaling-up
- Demonstrate their new and innovative technologies
- Ramp-up for commercial production

4. Pilot Demonstration & Commercialization Projects

Who is Eligible

Private companies alone or in partnership with a Northern Ontario academic or research institutions are eligible to apply.

What is Eligible

Eligible costs include Internal technical labour for up to 1 year, prototype costs, building or renovation costs, product certification and marketing costs.

NOHFC Funding

- Financial assistance is limited to 50% of eligible costs to a maximum of \$500,000.
- Funding toward labour, material, certification and marketing costs will be in the form of a 100% conditional contribution.
- Funding toward building or renovation costs and demonstration prototype costs will be in the form of a 30% conditional contribution and a 70% repayable loan.



Northern Ontario Business Opportunity Program

Northern Business Opportunity Program

This program encourages business productivity and expansion, and global investment in northern communities.

The objectives of this multi-stream program are to:

- Create jobs in Northern Ontario
- Encourage the North's private sector to invest in their businesses
- Attract new investment opportunities to Northern Ontario
- Increase the number of businesses exporting their product or service to markets outside of Northern Ontario
- Grow the film and television industry in Northern Ontario

Northern Business Opportunity Program

Investment in support of these objectives is provided through the four program subcomponents:

1. Business Expansion Projects
2. Small Business Start-up Projects
3. New Investment Projects
4. Film & Television Industry Projects

1. Business Expansion Projects

Existing businesses in Ontario that intend to expand and or retain their operations within Northern Ontario to improve competitiveness, grow revenues and create jobs in sectors identified in the Growth Plan.

Who is Eligible

- Advanced manufacturing
- Agriculture, aquaculture and food processing
- Arts, culture and creative industries
- Digital economy
- Forestry and value-added forestry-related industries
- Health sciences
- Minerals sector and mining supply and services
- Renewable energy and services
- Tourism
- Transportation, aviation and aerospace
- Water technologies and services

1. Business Expansion Projects

What is Eligible

- Capital construction
- Leasehold improvements
- New or used equipment
- Training costs incurred with third parties
- Land servicing costs
- Information & communications technology investments including, but not limited to, software

NOHFC Funding

NOHFC assistance will generally not exceed 50 per cent of eligible project costs up to a maximum of \$1 million per project.

Up to 30 per cent of the NOHFC funding may be in the form of a conditional grant with the remainder in the form of a repayable loan.

2. Small Business Start-up Projects

Who is Eligible

New businesses in Northern Ontario that intend to commence operations in the following sectors identified in the Growth Plan:

- Advanced manufacturing
- Agriculture, aquaculture and food processing
- Arts, culture and creative industries
- Digital economy
- Forestry and value-added forestry-related industries
- Health sciences
- Minerals sector and mining supply and services
- Renewable energy and services
- Tourism
- Transportation, aviation and aerospace
- Water technologies and services

2. Small Business Start-up Projects

What is Eligible

Costs related to the start-up of a business that creates jobs in Northern Ontario include, but are not limited to:

- Leasehold improvements
- New or used equipment
- Training costs incurred with third parties
- Information and communications technology investments including, but not limited to, software
- Marketing costs.

NOHFC Funding

NOHFC assistance will be in the form of a conditional contribution not to exceed 50 per cent of eligible project costs up to a maximum of \$200,000.

3. New Investment Projects

Who is Eligible

Competitive businesses that currently do not have a presence in Ontario that will expand operations to Northern Ontario and create jobs.

What is Eligible

Preference is given to those projects that demonstrate the following:

- Creation of new jobs
- Ability to become a new anchor for investments and/or support regional cluster development
- Alignment with the priority sectors identified in the *Growth Plan For Northern Ontario, 2011*

NOHFC Funding

NOHFC will provide assistance in the form of a conditional grant or a combination of a conditional grant and term loan/incentive term loan.

Rentech - Wawa Wood Pellet Plant

Rentech, a Northern Ontario fibre company, converted the idled strand-board processing mill in Wawa, Ontario to a wood pellet processing plant.

- Key eligible expenditures related to the modification of the existing plant including acquisition of new equipment and capital construction costs.
- Crown-owned wood materials that previously were not used or sold, now turned into wood pellets to be used to produce electricity.
- Wawa facility secured a sales contract with a UK-based company
- \$3.0 Million invested from NOHFC.

NOHFC Application Process

- NOHFC staff review applications based on the NOHFC's published program guidelines.
- All applicants receive a written response from the NOHFC.
- Eligible applications are evaluated by NOHFC's due diligence providers.
- NOHFC Committees review the evaluations and make recommendations to the Board.
- The NOHFC Board makes the final decision regarding NOHFC approvals for all projects greater than \$50,000.
- Projects less than \$50,000 are approved at Committee.



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