



R&D Proof of Concept

Description:

The R&D Proof of Concept program targets the early stages of the innovation continuum, where research and development (R&D) is required to realize the commercial potential of innovative products, processes, or services. The focus is on industry-led R&D projects involving innovative technologies that are pre-commercial, activities that accelerate applied R&D through to proof of concept, and opportunities where there is a clear sight to market (i.e., 'technology pull').

The R&D Proof of Concept provides small- and medium-sized enterprises (SMEs) with a mechanism to reduce the technical and financial risk of research and development. This program may fund up to 75% of the eligible 'out-of-pocket' costs of early-stage R&D projects, to a maximum non-repayable contribution of \$250,000 per project. Target projects are up to 18 months in duration (with a maximum of 1 project per applicant at any point in time).

Successful R&D projects should achieve one or more of the following outcomes:

- » Proof of concept (i.e., A 'go-forward' decision to pursue commercialization)
- » Development of innovative products, processes or services
- » Lower costs, improved productivity and competitiveness
- » Enhanced R&D capacity in the company
- » Collaborative R&D opportunities (i.e., local, national and/or international)
- » Increased commercial interest, including venture capital and other sources of funding in support of commercialization

Eligible activities:	Applied R&D, prototyping (physical proof), performance testing against pre-determined criteria, field trials and small-scale demonstration projects, involving technical validation of the component, subsystem, and/or system in a laboratory, simulated and/or real-world operating environment.
Key objectives:	<p>Enhance the technical capacity of SMEs, while reducing the financial risk of performing applied R&D through to proof of concept.</p> <p>Enable companies to respond quickly to market opportunities to develop new or improved products, services and processes.</p> <p>Enable SMEs to build collaborative R&D partnerships with industry, educational institutions and research facilities – locally, nationally and internationally.</p> <p>Increase business investment in R&D in Newfoundland and Labrador (NL).</p>
Target clients:	Innovative SMEs, located in the province of Newfoundland and Labrador, with pre-commercial R&D needs and high growth potential.
Eligible costs:	Incremental, out-of-pocket costs specific to the project including: IP and patent protection, materials, salaries (for engineers, scientists, researchers and other technical personnel), specialized equipment, technical services, access to test facilities and equipment, field trials, project-specific technical expertise, renovations (maximum 20% of the contribution), project-related travel costs and other costs that support collaborative R&D.
Ineligible costs:	Land, new buildings, marketing activities, existing salaries and administrative overhead, and other costs unrelated to the specified R&D activities.
Delivery mechanism:	Annual open call for proposals.