



Community Initiatives Program

POLICY STATEMENT

The Government of Nunavut is committed to supporting the development of healthy communities through community-based economic development and capacity building.

The Department of Economic Development and Transportation (ED&T) is the principal vehicle of delivery for the Government of Nunavut's community economic development programs. To this end it is the responsibility of the Department to support Nunavummiut, working in association with each other, to raise the level of natural, human, social, and physical capital to the thresholds necessary to support effective development in their communities.

In order to accomplish this goal ED&T, through this policy, will provide funding to communities and community organizations to support economic development strategies aimed at developing healthy communities.

The *Contributions Policy for the Community Initiatives Program* establishes the general terms and conditions by which support funding will be provided to Nunavut Communities and community organizations.

PRINCIPLES AND VALUES

1. **Simplicity:** Our programs will aim at simplicity in design, access and delivery.
2. **Self Reliance:** Communities, through *Inuuqatigiittiarniq* (healthy communities) and economic development, have the primary role and responsibility for the health and vitality of our citizens.
3. **Continuing Learning:** Our programs must support the development of a Nunavummiut workforce.
4. **Inuit Qaujimagatuqangit:** Our policies and programs will reflect the Department's seven guiding principles of Inuit Qaujimagatuqangit.

Pijitsirniq, which means that a person with the power to make decisions must exercise that power to serve the people to whom he or she is responsible;

Papattiniq, which means the obligation of guardianship or stewardship that a person may owe in relation to something that does not belong to the person;

Aajiiqatigiingniq, which means that people who wish to resolve important matters or any differences of interest must treat each other with respect and discuss them in a meaningful way, keeping in mind that just because a person is silent does not necessarily mean he or she agrees;



Pilimmaksarniq, which means that skills must be improved and maintained through experience and practice;

Piliriqatigiingniq, which means that people must work together in harmony to achieve a common purpose;

Avatimik Kamattiarniq, which means that people are stewards of the environment and must treat all of nature holistically and with respect, because humans, wildlife and habitat are inter-connected and each person's actions and intentions towards everything else have consequences, for good or ill;

Qanuqtuurunnarniq, which means the ability to be creative and flexible and to improvise with whatever is at hand to achieve a purpose or solve a problem;

5. **Effective Communication:** Information must be shared on the basis of effective two-way communication.
6. **Respect:** The partners will respect the fact that they have independent roles, responsibilities, and political priorities which may, from time to time result in differing opinions on issues of concern, but that this should not undermine either's long-term goals.
7. **Transparency:** The information on which decisions are based will be available to the public in scheduled reporting, and all decision making processes will be fair, explicit, and without conflict of interest.
8. **Continuity:** Both partners will respect the need for timelines, deadlines as well as the need for continuous support, feedback and evaluation, in order for the Partnership to be successful.
9. **Public investment** must build upon available resources and use technology and scale appropriate to the skills and traditions of residents.
10. **Economic growth** must be fostered in ways that are acceptable to community values, and in a sustainable manner.
11. **Partnerships:** It is recognized that this policy must trigger funding partnerships with other agencies, and that all partners must work together in a consultative and supportive manner.

PURPOSE AND OBJECTIVES

This program is designed to work in partnership with other community development programs to build a stable economic base at the community level.



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This program recognizes the importance of both the traditional land-based and wage-based economies to the communities of Nunavut, and acts to support activity in both areas.

Through this program, Department of Economic Development and Transportation will contribute funding toward initiatives that;

- build on community or regional economic development strategies; • address barriers to economic growth; and
- promote the development of a stable, diversified economy.
- promote traditional land-based economic activities.

The objectives of the program are as follows.

1. Diversify the regional and local economic base by:
 - researching new opportunities;
 - developing emerging economic opportunities; and
 - integrating technological developments to improve business competitiveness and viability
2. Improve the competitive position of Nunavut economic sectors through initiatives that:
 - remove demonstrated barriers to development,
 - establish infrastructure, where its absence is an impediment to development for a number of businesses; and
 - contribute towards the capital formation necessary for the development of an industry.
3. Strengthen technical, entrepreneurial, business management and marketing skills through training.
4. Stimulate long term and short term employment opportunities through capital investment.

DEFINITIONS

Economic base: The physical infrastructure and services that supports a broad base of businesses and supports community economic development on a sustained basis.

Community Economic Development: A process by which communities initiate and generate their own solutions to their economic problems and thereby build long-term community capacity and foster the integration of economic, social and environmental objectives.

Community Governments: A city, town, village, hamlet, charter community or settlement corporation as established under legislation of the Nunavut, or the council of a settlement or other unincorporated community.



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Community or Regional Economic Development Committees: A committee established for the purpose of promoting and stimulating economic development in a community or region.

Community-based Strategy: A grass roots plan that leads to a shared vision of the future state of a community or industry. Includes initiatives that have been identified by communities through the economic planning process or community consultations.

Cooperatives: A cooperative association registered and in good standing under the *Co-operative Associations Act*.

Industry: Businesses producing similar goods or providing a similar service within a given economic sector.

Industry Association: A society or association which, in the opinion of the Department, represents the collective interests of the businesses within an industry.

Land Assembly: purchase of land for purposes of speculation (purchase with the primary intent of selling later at a profit)

Sector: Range of activities within an economic sector such as arts and crafts, small business, tourism and parks, natural resources.

Sectoral: Pertaining to a sector as defined above.

Society: A society registered and in good standing under the Societies Act, or in the opinion of the Registrar, Legal Registries, is capable of achieving such status.

Group 1 - Iqaluit As the most developed community within Nunavut, Iqaluit has a well-developed community business infrastructure and air transportation links.

Group 2 - Regional Centres Typically these communities have well-developed business infrastructure and air transportation links.

Group 3 - Decentralized Communities Typically these are medium-sized communities, with less developed business infrastructure and air transportation links than Group 1 or 2.

Group 4 - Non-Decentralized Communities Typically these are small communities with the least developed business infrastructure and air transportation links.



ELIGIBLE ACTIVITIES

A wide range of economic initiatives that support community, regional or sectoral strategies are eligible for support under this program including the following:

- Sector specific development projects
- feasibility of community-based projects, impact analysis (of major development projects) and evaluation of projects, (either community specific or Nunavut wide)
- developing physical infrastructure where the absence of that infrastructure is a constraint to community economic development
- improving business information access
- business and industry related training activities
- business services (accounting, bookkeeping)
- sector specific marketing initiatives
- product development and packaging that benefits several businesses in an industry
- activities aimed at developing community-based or industry specific strategic plans
- community events that promote community economic development

INELIGIBLE ACTIVITIES

The following activities will *not* be eligible for funding.

- infrastructure responsibilities of other levels of government
- land assembly or development of residential lands
- projects benefiting only one business
- contributions toward building business inventory and capital

ELIGIBLE COSTS

Eligible costs will be limited to:

- start-up costs
- capital assets
- working capital during start-up
- investment
- development costs
- promotional costs
- project management costs
- planning costs
- training costs

Operations and maintenance costs will not be covered unless significant community economic benefit can be realized and all other funding options are unavailable.

ELIGIBLE APPLICANTS

The following organizations will be eligible for funding.



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- societies representing an industry or economic sector including Hunter and Trappers Organizations (HTOs)
- community or regional economic development corporations
- cooperatives
- community governments
- corporations, (in good standing), without share capital that have been incorporated under Part 2 of the *Canada Business Corporations Act*.

ELIGIBLE CRITERIA

Eligible projects must meet the following criteria:

- they are initiatives that are identified within and support community-based strategies and plans (including but not limited to Community Plans)
- funding requests in excess of \$50,000 must include participation from other funding sources

Program funding is limited. Therefore meeting eligibility criteria for this program does not guarantee approval of financial support. Financial assistance may only be provided to those projects providing the greatest economic benefit to Nunavut. Projects may only be partially funded.

EQUITY REQUIREMENTS

Applicants will normally be required to contribute equity, either in the form of a financial commitment, project management, administration costs, or sweat equity. The usual minimum levels are:

- 10% of total project costs Group 1 Communities
- 5% of total project costs Group 2 Communities
- 5% of total project costs Group 3 Communities
- 2.5% of total costs Group 4 Communities

PRIORITIES

HIGHEST PRIORITY will be given to initiatives that:

1. are identified as part of an approved community plan.
2. have a regional or multi-community impact.
3. will be used by communities to develop community plans.
4. include partnerships involving joint funding and other operational support and that will lead to:
 - the elimination of barriers to economic development;
 - long term economic benefits;
 - the development of employment-related skills;
 - sustained jobs; or
 - the diversification of the regional or local economy by:
 - i. researching new opportunities; developing emerging economic opportunities; or
 - ii. integrating technological developments to improve business competitiveness and viability.



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Other considerations in determining priority of funding initiatives include:

- the potential for future operation without government support or subsidy if the project is of an ongoing nature
- identified sources of funding for ongoing operations and maintenance costs
- creation of a minimum of 12 weeks of employment

COMMUNICATION:

In order to ensure that potential eligible applicants are fully informed of the terms of this policy, the Directors of Community Operations shall distribute a summary of this policy to all eligible applicants within their region. This will be done on an annual basis. Copies of the approved policy must be made available upon request.

APPLICATION PROCESS

Applicants are required to submit a project proposal. The application and proposal are to be submitted to the Community Economic Development Officer (CEDO).

Applications for funding must be received by September 15th of each fiscal year^{**}. All applications will be jointly evaluated by the regional delivery partners, the relevant community economic development committee, and relevant Director of Community Operations or his/her designate; soon after this deadline.

On October 15th of each fiscal year^{**}, all funds not distributed through the application process will be re-evaluated and any unused funding may be re-allocated to another community or to an eligible regional development organization.

**** For the first three years of this policy's lifespan these dates may be waived, altered or otherwise changed by the Directors of Community Operations in order to account for different planning capacities within individual communities.**

FUNDING

The total CIP funding allocated to eligible community-based organizations in any single community generally won't exceed \$100,000 in any fiscal year.

In addition a Nunavut-Wide fund will be established under the administrative control of the Assistant Deputy Minister of Community Operations. The Assistant Deputy Minister of Community Operations and 3 Directors of Community Operations will jointly evaluate all applications.



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The Nunavut-Wide fund will focus primarily on supporting projects of multiple community and/or regional scope where individual community allocation limits may be inappropriate or unable to provide the necessary level of assistance. Additional unused funding may be re-allocated through the Nunavut-wide fund.

All funding will be provided through a signed contribution agreement.

AUDIT AND EVALUATION

Recipients will be required to provide the following.

- a plan for effective project management including a lead person to implement the plan
- accounting for all funds received (acceptable with the Auditor General's standards)
- a final report based on a standard questionnaire. The report will provide information on the achievement of objectives and project impacts.

AUTHORITY AND ACCOUNTABILITY

The **Financial Management Board (FMB)** approves an annual budget for the contributions contained within this policy, as well as expenditures additional to those appropriated in the Main Estimates, in the event of unplanned contribution needs.

The **Executive Council** has the ultimate authority to approve program provisions as well as any exceptions to this policy.

Minister of Economic Development and Transportation

Establish Priorities

The Minister may establish priorities that will target contribution funding to activities within certain sectors of the economy.

Authority to Delegate

The Minister may delegate authority to approve contributions to the Deputy Minister of Economic Development and Transportation.

Annual Report

The Minister will table annually in the Legislative Assembly a summary report of contributions detailing the amount of each contribution, the type of initiative being supported, the name of the recipient organization or agency, and community.

Deputy Minister, Economic Development and Transportation

The Deputy Minister may approve contributions up to the limits authorized by the Minister. The Deputy Minister may delegate through a letter of instruction authority to approve contributions to the Assistant Deputy Minister and Directors of Community Operations (Qikiqtaaluk, Kivalliq and Kitikmeot).



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The Deputy Minister will rule on appeals either by requesting that the application be reconsidered or denying the appeal.

The Assistant Deputy Minister and Directors of Community Operations (Qikiqtaaluk, Kivalliq and Kitikmeot)

The Directors of Community Operations will:

- i) Make decisions related to applications under this policy and have the authority to disburse funding to third party delivery agents.
- ii) Shall, in accordance with the terms and conditions of this policy, be accountable for, monitoring, and overseeing all transfers of funding made to an external delivery organization for the purposes of delivering this program on behalf of the Government of Nunavut.

The Directors of Community Operations (Qikiqtaaluk, Kivalliq and Kitikmeot) or their designates are required to consult with stakeholders including Community Economic Development Committees in the evaluation of applications, identification of funding priorities and the provision of information necessary for the development of annual plans for funding.

The Assistant Deputy Minister of Community Operations will:

- i) In partnership with the Directors of Community Operations (Qikiqtaaluk, Kivalliq and Kitikmeot) make decisions related to applications for the Nunavut-Wide fund and have the authority to disburse funding allocated to that fund.

PREROGATIVE OF THE EXECUTIVE COUNCIL

Nothing in this policy shall in any way be construed to limit the prerogative of the Executive Council to make decisions, or take actions respecting the development of the Nunavut Economy outside the provisions of this policy.

SUNSET CLAUSE

This policy shall be reviewed annually and will be in effect from the date of signature until December 2010.

Original Signed by: _____
Premier, and Chairman of the Executive Council



Appendix A: Community Categories

For the purpose of this policy, communities in Nunavut are categorized as follows:

Group 1 Iqaluit

Group 2 Rankin Inlet, Cambridge Bay

Group 3 Arviat, Baker Lake, Cape Dorset, Gjoa Haven, Igloolik, Kugluktuk, Pangnirtung, Pond Inlet.

Group 4 Arctic Bay, Chesterfield Inlet, Clyde River, Coral Harbour, Grise Fiord, Hall Beach, Kimmirut, Kugaaruk, Qikiqtarjuaq, Repulse Bay, Resolute Bay, Sanikiluaq, Taloyoak, Whale Cove.



Appendix B: Types of Costs

Capital Assets: Costs of land, building structures and equipment.

Developmental Costs: Costs associated with research and development in a sector or industry, including but not limited to building the information base of a natural resource, developing harvesting, processing or production techniques, developing new products, and bringing products to market. Also includes feasibility studies and assessment of economic benefits associated with an economic development initiative.

Investment: Cash used as capital for establishing a loan fund or investment fund. Also includes investment in an initiative with long-term community economic benefits.

Operating Costs: Costs associated with running an operation including: administration and overhead, and costs of producing and selling a good or service.

Planning Costs: Costs associated with: developing, reviewing or evaluating a strategic plan; business planning or evaluation; project planning or evaluation.

Project Management Costs: Costs of hiring a project manager.

Promotional Costs: Costs associated with the promotion or marketing of an industry, sector or business in general. Includes but is not limited to costs of putting on promotional events, developing promotional materials and packaging, and conducting market research.

Start-up Costs: Also known as organization costs. Costs incurred in the formation of a corporation such as legal and other fees, and promotional expenditures involving the organization of a business.

Training Costs: Costs associated with developing training materials and providing training.

Working Capital: Funding needed to cover cost of investment in accounts receivable, inventory or prepaid expenses.