

Contribution for Commercial Renewable Resource Use

The Government of Nunavut supports and encourages the development of the Nunavut economy in a manner compatible with northern lifestyles and aspirations.

To that end, the Government of Nunavut shall encourage and support the development of a commercial renewable resource sector that is consistent with acceptable resource management and business management practices.

PRINCIPLES

This policy is based on the following principles respecting commercial use of renewable resources:

1. Commercial renewable resource development is a desirable activity for Nunavut.
2. Commercial development of renewable resources will be encouraged where resources are surplus to domestic needs.
3. Commercial renewable resource development will be consistent with territorial and federal renewable resource management policy guidelines, and the Nunavut Land Claim Agreement.
4. The interests of Inuit and other northern residents shall be recognized and the opportunity to participate in and benefit from renewable resource development should be available to all interested residents of the Nunavut.
5. The commercial renewable resource sector shall conform to territorial standards of fire, health and safety.
6. The commercial renewable resource sector will be encouraged to attain

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national health and product quality standards.

7. The private sector should take a role in developing viable enterprises, with government providing limited financial assistance, services, and incentives to encourage and facilitate commercial renewable resource development.

SCOPE

This directive applies to the provision of financial assistance for all existing and prospective Nunavut renewable resource businesses.

EXCLUSION

This policy applies only to duly registered northern businesses.

DEFINITIONS

1. Contribution

Means a conditional transfer payment, made to a recipient, subject to audit, and for which the government will not receive any goods or services. Contributions are conditional on performance or achievement.

2. Grant

Means an unconditional transfer payment, made to a recipient, for which the government will not receive any goods or services. A grant is an unconditional payment without audit requirement.

3. Northern Resident

Means a person who has been ordinarily resident in NUNAVUT for at least three years.

4. Northern Business

Means a business which complies with the legal requirements to carry

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on business in Nunavut, and meets the following criteria:

(a) (i) is a limited company with at least 51% of the company's voting shares beneficially owned by Northern Residents, or,

(ii) is a co-operative with at least 51% of the cooperatives' voting shares beneficially owned by Northern Residents, or

(iii) is a sole proprietorship the proprietor of which is a Northern Resident, or

(iv) is a partnership the majority interest in which is owned by Northern Residents.

(b) Maintains a Resident Manager,

(c) Maintains a Bona Fide place of business in the NUNAVUT Territory.

5. Renewable Resource Businesses

Means northern businesses engaged in the commercial utilization of renewable resources, including, but not limited to, such primary activities as wildlife harvesting, trapping, fishing and aquaculture; and such secondary activities as food processing and tanning.

PROVISIONS

1. Programs and Services

Government of Nunavut economic programs and services in support of commercial renewable resource use will include, but not be limited to:

(a) Provision of assistance for NUNAVUT commercial fisheries to offset the high freight and/or production costs associated with their operation in order for them to be competitive with southern industries.

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- (b) Provision of financial assistance to encourage and facilitate the development of new businesses and to support existing businesses which have the potential to be financially viable within five years;
- c) Provision of and assistance for training and business development to ensure that Nunavut residents and businesses are adequately prepared to take full advantage of the employment and entrepreneurial opportunities associated with commercial renewable resource development;
- (d) Provision of assistance in the development of renewable resource products which are marketable, potentially profitable and which will contribute to the achievement of community aspirations;
- (e) Provision of economic planning, feasibility studies, and pilot projects useful to the renewable resource industry;
- (f) Identification of employment/business development opportunities in the renewable resource sector;
- (g) Provision of adequate and appropriate information to Nunavut' residents about the opportunities, benefits and costs associated with commercial renewable resource development; and
- (h) Provision of and assistance for the marketing of renewable resource products, including consumer, trade and industry promotional activities.

2. Eligibility

Eligibility requirements for various assistance programs are detailed in the attached schedules.

3. Preference

Subject to funding limits, preference will be given to businesses that comply with Government of Nunavut economic plans and renewable

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resource strategies, where they exist.

4. Authority and Accountability

(a) Executive Council

Only the Executive Council may approve exceptions to this policy.

(b) Financial Approval

(i) Executive Member

The Executive Member responsible for the Department of Sustainable Development may approve contributions up to amounts appropriated in the Main Estimates.

(ii) Financial Management Board

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

(c) Program Approval

The Executive Council shall approve all program revisions.

5. Criteria

Applicant criteria are detailed in the attached schedules.

6. Conflict of Use

(a) To encourage a diversified economy, domestic and commercial renewable resource development will be encouraged to co-exist; where there is conflict of use between the two activities the existing activity will be supported, unless:

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(i) a socioeconomic cost/benefit analysis of optional resource uses identifies a "better" resource use;

(ii) there is local support for the "better" activity;
and

(iii) existing users can be compensated for any losses caused by the new activity.

(b) To encourage a diversified economy, non-renewable resource development and commercial renewable resource development will be encouraged to co-exist; where there is conflict of use between the two activities the existing activity will be supported, unless:

(i) a socioeconomic cost/benefit analysis of optional resource uses identified a "better" resource use;

(ii) there is local support for the "better" activity; and

(iii) existing users can be compensated for any losses caused by the new activity.

7. Terms and Conditions

In addition to the terms and conditions detailed in the attached schedules, the following shall apply:

(a) all contributions will be subject to an evaluation of performance and/or achievement;

(b) all contributions will be subject to normal accountability and audit requirements;

(c) applicant businesses seeking repeated funding must reapply annually;

(d) financial contributions will not be granted until the applicant

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business and the Government of Nunavut have entered into a formal and binding legal agreement describing the terms and conditions under which the assistance is offered; and

(e) all businesses receiving financial contributions will maintain and make accessible for inspection acceptable records, files and books.

8. Applications

In addition to any requirements contained in the attached schedules, the following conditions will apply:

(a) Applications for financial assistance will include information on:

(i) proof of business registration and/or licence to operate in the Nunavut;

(ii) purpose and amount of financial assistance;

(iii) estimated effect of financial assistance on business enterprise;

(iv) financial data;

(v) employment data; and

(vi) any other information deemed necessary.

9. Prerogative of Executive Council

Nothing in this Directive shall in any way be construed to limit the prerogative of the Executive Council to make decisions or take actions, respecting the commercial use of renewable resource development, outside the provisions of this Directive.

Original signed by _____

Premier and Chairman of the Executive Council

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05/02/03

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Schedule A

COMMERCIAL FISHERY ASSISTANCE

SCOPE

This schedule applies to all commercial fishing activity in the NUNAVUT Territory.

DEFINITIONS

The following terms used in this schedule are hereby defined:

1. Commercial Fishery

Those activities related to catching fish for sale within and export outside the Nunavut.

2. Commercial Fisherman

A northern business, self-employed individual or employee licensed by the Department of Fisheries and Oceans to harvest fish for sale.

3. Commercial Fish

Those species of freshwater and anadromous (sea-going) fish included in Schedule V (Variation Notice for Commercial Fisheries) pursuant to Section 30 of the NUNAVUT Fisheries Regulations as passed by Order in Council.

4. Freshwater Fish Marketing Corporation (FFMC)

A federal Crown Corporation with headquarters in Winnipeg, Manitoba, that is responsible for the Marketing of freshwater fish harvested in Northwestern Ontario, the three Prairie Provinces and Nunavut.

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5. Fishery Assistance

A contribution made to a commercial fishery or to a commercial fisherman.

6. Winnipeg Price

The price paid for fish at the FFMC Transcona Plant after freight and handling costs are deducted.

PROVISIONS

1. Eligibility

Eligibility is restricted to commercial fisherman as defined above who are northern residents and where eligible commercial fisherman employ fishermen's helpers, they do so according to the following northern resident employee percentages.

1986 - 50%

1987 - 80%

1988 -100%

2. Criteria

Eligible applicants must show they have been active in commercial fishing in the year for which they are seeking assistance and that they operate financially marginal enterprises.

3. Financial Conditions

Fishery Assistance may be approved by the Minister of Sustainable Development according to the following:

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(c) Export Char Fishery

Assistance sufficient to provide maintaining the price at the previous year's level.

(d) Inter-settlement Trade Fishery

Assistance sufficient to offset up to 50% of freight cost between communities.

4. Terms and Conditions

(a) Assistance to a commercial fishery must be used only to offset the high freight and production costs associated with operating in the NUNAVUT.

(b) The Freshwater Fish Marketing Corporation may administer any fishery assistance made to the Great Slave Lake Fishery and the Arctic Char Export Fishery on a fee-for-service basis.

(c) Financial contributions will not be granted until the applicant or his or her representative and the Government of NUNAVUT have entered into a legal agreement describing the terms and conditions under which the contribution is offered; and

(e) All fishermen receiving contributions will maintain, and make accessible for inspection, records, files, and books according to standard bookkeeping practices.

5. Application

(a) Application for financial assistance must include:

- (i) Proof of a valid commercial fishery license;
- (ii) Proof of volumes of fish sold;
- (iii) Employment data; and

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(iv) Any other information deemed necessary.

(b) Nunavut Fishermen who market their fish through existing licenced fish processing plants, and/or meet the criteria as outlined above, may apply for financial assistance to:

i. Deputy Minister

Department of Sustainable Development

Government of NUNAVUT, or;

ii. Area Wildlife Officer

Department of Sustainable Development

Government of NUNAVUT

Department of Sustainable Development

Government of the NUNAVUT

(ii) All others will apply to the nearest:

Area Wildlife Officer, Department of Sustainable Development