

# DEPARTMENT OF ECONOMIC DEVELOPMENT AND TRANSPORTATION

## COMMUNITY TOURISM AND CULTURAL INDUSTRIES PROGRAM POLICY

### POLICY STATEMENT

The Department of Economic Development and Transportation is committed to implementing the Government of Nunavut's mandate, *Sivumut Abluqta*. This includes encouraging and supporting economic development initiatives that build on and add value to the arts and tourism sectors and which support the development of current and future Nunavut artists in all media to produce high quality work and to market their work across Canada and around the world.

### PRINCIPLES

This policy is based on the following Inuit Societal Values and guiding principles:

- *Pijitsirniq*: (serving and providing for family and/or community) Self-reliance of individuals, families and communities will be enhanced by the development of the applicant's talents and skills.
- *Piliriqatigiinni/ikajutigiinni*: (working together for a common cause) The growth of the community tourism and cultural industries sector depends on a shared mission and commitment between the Department and partner organizations.
- *Cultural Integrity*: Nunavummiut participate in community tourism and cultural industries economy while maintaining their culture and traditions.
- *Determination and realism*: Funding must complement existing funding structures and deliver effective support to the community tourism and cultural industries sector. The results of community tourism and cultural industries funding must be measured and reported.
- *Community benefit and control*: The development of community tourism and cultural industries will be led by community-based applicants themselves, for the benefit of the community.
- *Sustainability*: A sustainable community tourism and cultural industries sector is one that respects the environment and motivates youth – the future generation – to become involved with the community tourism and cultural industries sector.

### PURPOSE

The *Community Tourism and Cultural Industries Program Policy* establishes the general terms and conditions by which the Department of Economic Development & Transportation will fund the implementation of *Sivumut Abluqta* through:

- Community Tourism Projects (Schedule A)
- Cultural Tourism Projects (Schedule B)
- Cultural Industries Projects (Schedule C)

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Priority under these three funds will be given to organizations who do not receive core funding from Economic Development and Transportation.

The program has an expected lifetime of five years, prior to review.

### **DEFINITIONS**

The following terms apply to this policy:

#### Applicant Contribution to Project Costs

A minimum contribution to a project's total costs (expressed as a percentage) that the applicant must provide in order to be eligible for a contribution under this policy (sometimes referred to as 'equity contribution').

#### Artist

An individual who has specialized training (traditional and/or academic) and practical experience in making art; has made a serious commitment to his/her arts practice and considers it a major part of his/her working life; and is recognized by peers or experts in his/her area of arts practice as "an artist". This includes all types of arts producers in the creative arts and cultural industries, including, but not limited to literature, music, film, performing arts, visual arts, publishing, design and fashion.

#### Community Tourism

Community Tourism includes local activities and services intended to attract visitors to a Nunavut community and increase visitor satisfaction. This includes: community based tourism outfitters and establishments with a demonstrated commitment to serving leisure travellers, and tourism activities organized by local Hunters and Trappers Organization as well as community not-for-profit organizations whose mission aligns with tourism.

Community Tourism can take many forms including leisure and value-added business travel, eco-tourism, cultural presentations, and tourist services such as hotels. All activities should demonstrate economic benefit to the community.

#### Conditional Contribution Agreement

A contractual agreement between two parties, which outlines the value of the contribution, the obligations and reporting responsibilities of the parties involved.

#### Cultural Industries

Cultural Industries include a range of activities, such as arts, crafts, film, music, performance, and presentation, among others. Activities should reflect Inuit culture, and demonstrate economic benefit to Nunavummiut.

#### Department

The Department of Economic Development & Transportation.

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### Medium and Large Business

A Medium and Large Nunavut business is one that generates more than \$500,000 in annual gross sales or employs 10 or more employees.

### Nunavut Resident

An individual who has maintained her/his primary residence in Nunavut for at least one year.

### Projected return on investment

The estimated increase in sales and revenue made possible by the contribution. In many cases the increase can occur over several years.

### Small Business

A Nunavut small business includes any of the following:

- Nunavut Business, typically with less than \$500,000 in annual gross sales or fewer than 10 employees;
- Artist, craftsperson or performing artist who makes all or part of their income through the sale of products they produce or plan to produce; or
- A Nunavut Outfitter with a licence, with less than \$500,000 in annual gross sales.

## **ROLES AND RESPONSIBILITIES**

### Minister of Economic Development & Transportation

The Minister is accountable for the overall program funding and results, and will table annually in the Legislative Assembly, or otherwise make available to the public, a summary of contributions detailing the name of each successful applicant, amount of each contribution, the type of investment being supported, and community.

The Minister will also table or otherwise make available to the public the outcomes of completed projects, including performance relative to indicators identified in the Conditional Contribution Agreement.

### Department

The department head, or their designated lead senior official, establishes and communicates clear and transparent procedures and criteria for allocation of funds under this policy. This will include guidelines that address:

- Application Process
- Evaluation Criteria
- Terms and Conditions

Funding decisions under this policy will be made as follows:

- Regional Community Operations Director – for applications up to \$25,000

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- Director of Tourism and Cultural Industries (TCI) – for applications between \$25,001 and \$50,000
- A Committee of Directors, chaired by the Director of TCI – for applications over \$50,000

The Department will, where appropriate, seek third-party expertise to assist in selection and review of submitted applications.

The Department may:

- I. Conditionally approve multi-year projects, subject to the availability of funds in subsequent years; such projects must be completed by March 31, 2018;
- II. Set aside funds for selected program areas for a specified period of time within a fiscal year. This requires a communication plan to announce a predetermined amount of funding will be reserved for a specific program area and that there is a deadline by which to apply for this funding; and/or
- III. Request that applicants submit additional information appropriate to the nature and amount of the requested assistance.

### **PROVISIONS**

#### General Conditions

- I. All relevant provisions of the *Financial Administration Act* and the Financial Administration Manual will apply to the financial administration of contributions issued by the department under this policy.
- II. Eligibility for funding under this policy does not guarantee approval of financial assistance of any kind. Financial assistance will be provided only to the limit and availability of funding allocated to this policy within the main estimates of the budget.
- III. Proposals selected to receive contributions under this program may be funded at a level below the amount requested.
- IV. The Department retains the right to conduct an audit of funding recipients and projects, even though an audit may not always be undertaken.
- V. All recipients of contribution assistance must permit the department access to the project site or premises, to inspect all books and other financial statements related to the project, and to obtain any other information necessary for ensuring compliance with the Conditional Contribution Agreement or evaluating the success of the project.
- VI. Contributions may not be provided if a financial analysis indicates that there is no need for assistance from the Government and the proposed project has a reasonable expectation of success without assistance.
- VII. Stacking of funding (i.e. the use of more than one departmental source of funding to support a project) may be permitted. Such requests will be considered on a case-by-case basis with criteria outlined in the program schedules or guidelines.

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- VIII. Recipients who access funding may be required to provide acknowledgment to the Government of Nunavut. Specific terms will vary depending on the project and will be contained in the Conditional Contribution Agreement.
- IX. Management fees must be no more than a maximum of 5% of the total requested funding.
- X. Projects funded under this program must meet the necessary approvals by regulatory, municipal and other authorities. This may include meeting health and safety standards, environmental standards, acquiring land use approval, or any other approvals deemed necessary for the project to proceed.

### **APPEALS**

- A. An applicant for a contribution has the right to appeal a denial of funding.
- B. Appeals will be reviewed by the Assistant Deputy Minister of Economic Development, and should be submitted in accordance with the guidelines for the Community Tourism and Cultural Industries Program.

### **PREROGATIVE OF THE EXECUTIVE COUNCIL**

Nothing in this policy will in any way be construed to limit the prerogative of the Executive Council to make decisions or to take actions, respecting business and/or funding contributions or any other form of business and/or funding assistance, either direct or indirect, outside the provisions of this directive.

### **TERM**

This policy will be in effect from the date of signature until March 31, 2020.

## **Schedule A: Community Tourism Projects**

### **Purpose**

The Community Tourism Projects stream supports implementation of *Sivumut Abluqta* goals that relate directly to adding value to the tourism sector including:

- Building tourism capacity by supporting community leadership that focuses on tourism coordination and development
- Supporting the development of international-level tourist destinations and first rate visitor experiences that serve as “showcases” and models for Nunavut
- Developing community tourism infrastructure and products that support visitor experiences to build a positive reputation amongst national and international visitors

### **Eligible Applicants**

- Licensed tourism outfitters
- Licensed tourist establishments
- Municipalities incorporated under the *Cities, Towns and Villages Act* or the *Hamlets Act*
- Hunters and Trappers Organizations
- Societies registered under the Nunavut *Societies Act* and not-for-profit corporations registered under the *Canada Not-for-profit Corporations Act* whose mission aligns with departmental tourism objectives

### **Eligible Activities**

- Tourism planning and coordination in the community
- Tourism product development and improvements
- Marketing the community and its tourism activities, products and attractions
- Projects to help communities benefit from cruise ship visits
- Packaging tourism offerings so as to appeal to different tourist interests
- Improving the community visitor centre, visitor welcome at Nunavut airports and community beautification
- Community engagement and development. This may include hiring a community tourism coordinator to help a community develop its approach to tourism products or cruise ship visits

This stream may provide support to multi-year projects, subject to the availability of an appropriation for the program, when a proposed project is part of a multi-year development plan. Such projects must be completed by March 31, 2018.

### **Eligible Costs**

The following expenditures are eligible under the program:

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- Specialized services such as internet marketing, software development and electronic applications
- Tourism planning, project management, marketing
- Staff salaries for new projects for up to three years
- Capital expenses to improve facilities or services provided to visitors
- Training and development unique to a specific product or community that is not available from either Nunavut Tourism or Nunavut Arctic College.
- Travel for marketing or preparation of special products
- Costs of developing, manufacturing and installing displays
- Consulting fees, including planning, project management, marketing

### **Stacking of Assistance**

Stacking of funds from multiple programs and funding sources is allowed, provided there is no double-funding of costs funded by either government or non-governmental programs

### **Review Process and Timeline**

The department will review applications and provide a preliminary response to the applicant within 30 working days of receipt.

Review of eligible activities and costs will be the responsibility of the Community Operations divisions in consultation with the division of Tourism & Cultural Industries.

### **Supporting Data**

The following pieces of information must accompany an application under this schedule:

- A Tourism Plan for the community, including evidence supporting the community's suitability for investment in tourism infrastructure and analysis of the challenges and tourism opportunities of this specific community
- A copy of the applicant's most recent financial statements
- A detailed project budget
- A Project Description, including how the project relates to the community's Tourism Plan and/or Community Economic Development Plan
- Support for the Project
  - evidence of integration with the overall community tourism plan
  - funding from other sources
  - contributions from the community/stakeholders (in kind or cash)
- Economic benefits
  - estimate of jobs created in Nunavut
  - projected return on investment

**Payment**

Specific payment terms and Financial Administration Manual compliant conditions will be contained in the Conditional Contribution Agreement. In the event that eligible costs are less than that set out in the Conditional Contribution Agreement, the balance will be repayable to the Department within 60 days of the completion of the project.

**Amount**

- Minimum per project: \$5,000
- Maximum per project per annum: \$150,000

Medium and Large Nunavut Businesses must provide a matching client contribution to project costs for any application approved under this schedule. Matching funds may take the form of cash, loans or contributions from other funders.

All other applicants must contribute at least 20% of the costs (either in-kind or cash) of any activity for which funding is provided.

**Accountability**

Applicants must submit a final project report which must include:

- Copies of receipts for approved incurred project costs
- A description of project outcomes to date as they relate to the Tourism Plan or Community Economic Development Plan

## **Schedule B: Cultural Tourism Projects**

### **Purpose**

The Cultural Tourism Projects stream supports implementation of *Sivumut Abluqta* goals by strengthening Nunavut's natural advantage in cultural tourism by providing funding that will support:

- Developing the economic viability of creative disciplines through strategic and organizational support
- Enhancing product offerings and economic viability in a range of creative arts disciplines
- Marketing Nunavut's creative products from a wider array of arts disciplines

### **Eligible Applicants**

- Licensed tourism outfitters
- Licensed tourist establishments
- Businesses devoted to sales, marketing or production of artists' products
- Municipalities in Nunavut incorporated under the *Cities, Towns and Villages Act* or under the *Hamlets Act*.
- Societies registered under the Nunavut *Societies Act* and and not-for-profit corporations registered under the *Canada Not-for-profit Corporations Act* whose mission aligns with departmental cultural tourism objectives and/or economic development in cultural industries
- Artists organizations that have either a local, regional or territorial role in the creative disciplines
- Organizations currently receiving ongoing operational funding from EDT are ineligible.

### **Eligible Activities**

- Develop new and repair/upgrade existing arts and culture infrastructure that will be used by national and international visitors.
- Marketing community-specific artists' products and arts-based tourism businesses.
- Investment in new facilities linking cultural industries and tourism
- Packaging multiple communities' artists' offerings for cultural tourists
- Organizational support to the Arts Economy
  - Support for organizations who develop artists and markets in specific creative disciplines
  - Technical and professional production support tailored to a specific creative discipline
- Initiatives to develop markets for Nunavut's products and artists in a wider array of creative disciplines

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- Project operational costs
- Support for organizations who develop artists and markets in specific creative disciplines

Stacking of funds from multiple programs and funding sources is permissible as long as there is no double funding of costs funded by either government or non-governmental programs.

### **Eligible Costs**

The following expenditures are eligible under the program:

- Specialized services in marketing (web site, software development and electronic applications that display local cultural products), including improving product presentation in cultural tourism
- Consulting fees, including planning, project management, marketing, tourism program development and human resource development
- Improvements to interpretive materials about Inuit culture targeted to tourists
- Capital expenses to improve facilities and equipment for performances or sales of cultural products
- Research, development and production of interpretive (historical, cultural) materials
- Organizational operational costs, including salaries

### **Ineligible Costs**

- Costs funded by other departmental programs or which are eligible under the Small Business Support Program
- Duplication of costs funded through other funding programs offered by government or non-governmental organizations

### **Review Process and Timeline**

The department will review applications and provide a preliminary response to the applicant within 30 working days of receipt.

Review of eligible activities and costs will be the responsibility of the Community Operations divisions in consultation with the division of Tourism & Cultural Industries.

### **Supporting Data**

In order to be approved the applicant must provide:

- Analysis of the role that the cultural sector currently plays in tourism in the community
- Assessment of potential to attract national or international visitors
- Evidence of community support for the Project, including:
  - integration with the overall community tourism plan

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- funding from other sources
  - contributions from the community/stakeholders (in kind or cash)
- Description of projected economic benefits, including:
  - estimates of the jobs created in Nunavut
  - projected return on investment
- Historical and current role of the artists' organization
- Past effectiveness and impact of the artists' organization or studio or of the individuals involved in the project
- Artists' Support for the Project:
  - letters of support or cooperation from stakeholders, youth groups, artists, Inuit organizations

### **Payment**

Specific payment terms and Financial Administration Manual compliant conditions will be contained in the Contribution Agreement. In the event that eligible costs are less than that set out in the Contribution Agreement, the balance will be repayable to the Department within 60 days of the completion of the project.

### **Amount**

- Minimum per project: \$5,000
- Maximum per individual business or artists organization per annum: \$150,000

Medium and Large Nunavut Businesses must provide a matching client contribution to project costs for any application approved under this schedule. Matching funds may take the form of cash, loans or contributions from other funders.

All other applicants must contribute at least 20% of the costs (either in-kind or cash) of any activity for which funding is requested.

### **Accountability**

Applicants must submit a final project report, which must include:

- Copies of receipts for approved incurred project costs
- A description of project outcomes with respect to cultural tourism development, appropriate to the scope of the project and the size of the contribution.

## **Schedule C: Cultural Industries Projects**

### **Purpose**

The Cultural Industries Projects stream supports implementation of *Sivumut Abluqta* goals that relate directly to adding value to the cultural sector by providing new funding that will support:

- Enhancing product offerings and economic viability in a range of creative arts disciplines
- Marketing Nunavut's creative products in a wider array of arts disciplines
- Access by Nunavut artists to opportunities for mentoring, residencies, touring and learning outside of Nunavut

### **Eligible Applicants**

- Individual Artist studios or Artist cooperatives having at least three participating artists in any of the creative disciplines
- Artists who are ready to benefit from travelling to learn about their market and how to market their art outside of Nunavut.

### **Eligible Activities**

- Technical and professional production support tailored to a specific creative discipline
- Increasing artists' knowledge of the tourist market's expectations
- Initiatives to develop markets for Nunavut's products and artists in a wider array of creative disciplines
- Projects that support innovation and risk-taking by established studios
- Youth engagement in learning how to participate as artists
- Residencies, mentoring and touring

### **Eligible Costs**

The following expenditures are eligible under the program:

- Travel costs, *per diems* and accommodation
- Mentoring fees
- Marketing services (web site, software development and electronic applications; linking to national and international networks)
- Consulting fees providing expertise in cultural industries or artistic disciplines, including planning, project management and marketing
- Capital expenses to improve facilities and equipment
- Product development – prototype development, testing markets and products

### **Ineligible Costs**

- Costs funded by other EDT programs or eligible under Small Business Support Program
- Duplication of costs funded through other grant or contribution programs offered by government or non-governmental organizations

### **Review Process and Timeline**

The department will review applications and provide a preliminary response to the applicant within 30 working days of receipt.

Review of eligible activities and costs are the responsibility of Community Operations divisions and a peer assessor in a related artistic discipline in consultation with the Tourism and Cultural Industries (TCI) division.

All proposals for mentoring, residencies and touring must be reviewed by TCI division.

### **Supporting Data**

In order to be approved a business plan must be in place containing:

- Historical and current role of the artist studio (if applicable)
- Assessment of potential to enhance quality, innovation and marketability of products of the creative discipline
- Potential economic benefit in terms of jobs, incomes and revenue projections over a five- year period
- Past effectiveness and impact of the artist studio
- Artists submit a proposal, learning plan, and on-site mentoring arrangement and a method for sharing knowledge and skills gained with Nunavut artists and/or youth
- Economic benefits - estimates of the increase in the artist's revenue as a result of the activity
- Youth participation in this project and cultural discipline

### **Payment**

Specific payment terms and Financial Administration Manual compliant conditions will be contained in the Contribution Agreement. In the event that eligible costs are less than that set out in the Contribution Agreement, the balance will be repayable to the Department within 60 days of the completion of the project.

### **Amount**

- Minimum per project: \$5,000
- Maximum per Artist: up to \$35,000 in travel, instructional fees, materials and accommodations

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All applicants must contribute at least 10% of the costs (either in-kind or cash) of any activity for which funded is requested.

### **Accountability**

Applicants must submit a final project report, which must include:

- Copies of receipts for approved incurred project costs
- A description of project outcomes with respect to cultural industries development, appropriate to the scope of the project and the size of the contribution.