



DEPARTMENT OF ECONOMIC DEVELOPMENT AND TRANSPORTATION

COMMUNITY ENGAGEMENT SUPPORT PROGRAM CONTRIBUTION POLICY

POLICY STATEMENT

The Department of Economic Development and Transportation (“EDT” or the “department”) of the government of Nunavut (the “government”) is committed to a contribution approval process that is accountable, easy to understand, fair, transparent, and reflective of community-based needs and Inuit Societal Values.

The activities funded under this policy (“the policy”) support the mandate, activities, and goals of the department.

INUIT SOCIETAL VALUES (ISV) GUIDING PRINCIPLES

This policy is guided by the following Inuit Societal Values:

- a) *Qanuqtuurniq*— Being innovative and resourceful: this policy shows the department’s commitment to supporting the participation of Nunavummiut in the development and growth of Nunavut’s economy.
- b) *Inuuqatigiitsiarniq*— Respecting others, relationships and caring for people: the grants and contributions available in this policy support the values, knowledge, beliefs and cultural distinctiveness of Nunavummiut;
- c) *Tunnganarniq*— Fostering good spirits by being open, welcoming and inclusive: this policy promotes transparency as all roles and responsibilities, the funding evaluation, and award process are clearly defined ;
- d) *Piliriqatigiinniq/Ikajuqtigiinniq*— Working together for a common cause: funding will be managed in a manner consistent with the *Financial Administration Act* and the *Financial Administration Manual*, ensuring accountability of government funds;
- e) *Pilimmaksarniq/Pijariuqsarniq*— Development of skills through observation, mentoring, practice, and effort: all partnerships take into consideration economy, efficiency and effectiveness and will respect Inuit Qaujimajatuqangit in strengthening Nunavut’s economy; and
- f) *Pijitsirniq*— Serving and providing for family and/or community: partnerships are administered in a way that is accountable, sustainable, and responsive to the needs of Nunavummiut.

APPLICATION

This policy applies to eligible recipients of funding under this policy.

DEFINITIONS

Contribution – a conditional transfer payment made to a recipient from whom the

government will not receive any goods or services directly in return, expect to be repaid, or expect any form of financial return as would be expected in an investment. Contribution payments are conditional on performance or achievement and are subject to audit or other reporting requirements.

Contribution Agreement – a contractual agreement outlining the terms and conditions for a conditional transfer payment made to a recipient from whom the government will not receive any goods or services.

Community Organization – a community-governing body incorporated under the *Cities, Towns and Villages Act* (tax based) or the *Hamlets Act* (non-tax based); or a Hunters and Trappers Organization identified under Article 7 of the Nunavut Agreement

Mineral Exploration– The range of activities required to discover and define a mineral resource. Mineral exploration excludes feasibility studies and any activities that directly result in revenues.

Exploration Company – a corporation that is registered and in good standing and:

- a) has an agent in the Territory if the company does not have a presence in the Territory upon which legal service can be made;
- b) holds, or could hold, mineral rights to the lands on which the exploration was conducted;
- c) demonstrates an understanding and intent to undergo proper permitting and ensure work programs comply with existing laws and regulations;
- d) include plans to visit communities before and after the project activities occur; and
- e) utilize the Government's Guide to Consulting with Communities in Nunavut and contribute to the action and policy statements in Parnautit: A Foundation for the Future, Nunavut's Mineral Exploration and Mining Strategy

Schedule of Revenue and Expenses – an un-audited financial report of revenue and expenditures pertaining to a project and signed by the funding recipient.

ROLES AND RESPONSIBILITIES

Minister

The Minister of Economic Development and Transportation is accountable to the Executive Council for the implementation of this policy.

The Minister tables annually in the Legislative Assembly a summary of contributions and grants detailing the name of each successful applicant, amount of each contribution, the type of project being supported, and community.

Deputy Minister

The Deputy Minister of Economic Development and Transportation is accountable to the Minister for the administration of this policy.

Appeals will be reviewed by the Assistant Deputy Minister for consideration by the Deputy Minister. The Deputy Minister will make final decisions regarding appeals under this policy.

The Deputy Minister establishes clear and transparent procedures for the allocation of funds under this policy, including specification for:

- Application procedures
- Funding guidelines
- Terms and conditions
- Appeal procedures

Directors

The Director of Corporate Services of the department is responsible for the financial administration of all grant and contribution programs. Within their mandate, program directors approve or deny all grant or contribution applications.

PROVISIONS

Financial Conditions

- (a) All provisions contained in the *Financial Administration Act* and the government's *Financial Administration Manual* shall apply to the administration of all grants and contributions issued by the department.
- (b) Prior to the issue of payment, the recipients of a contribution shall sign a conditional Contribution Agreement which contains their project goals and objectives, guidelines for allowable expenditures, completion timeline, reporting and accounting requirements, and any other information requested in the attached schedules for each contribution category.
- (c) Where the required financial reporting is not submitted, the recipient will not be eligible for further funding until the required financial statements indicating that the contribution was expended are submitted, or any amount unaccounted for is repaid.
- (d) Recipients must repay any surplus project funds, disallowed expenses, overpayments or unexpended balances to the government within 30 days of the receipt of an invoice from the government. These amounts constitute debts due to the government.
- (e) Recipients cannot carryover surplus funds from one fiscal year to the next fiscal year unless otherwise stated.
- (f) Under the terms of this policy the government's liability is limited to the amount of funding authorized. As a result, the government will not be responsible for any shortfalls or deficits incurred by the funding recipient.

- (g) Funding in one fiscal year does not guarantee funding in subsequent years.
- (h) The government reserves the right to conduct an audit of any project funded through this contribution program.
- (i) 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 Contribution Agreement or evaluating the success of the project.
- (j) Funding allocated to recipients is based on eligibility and the merits of the project and organization. The budget allocated to the project or organization cannot exceed the program budget provided by the department.

General Conditions

- (a) All applicants for funding must disclose if they have applied for funding for the same project from other sources; the total funding for a project may not exceed 100% of the project's eligible costs.
- (b) All applicants for funding must advise the department if they have any outstanding amounts owing to the government, under legislation or an agreement. Such amounts may be set-off against amounts owing to the government.
- (c) Where applicable, projects funded under this policy must meet the necessary approvals by regulatory, municipal and other authorities. This may include meeting health and safety standards, support from community or regional councils, or any other approvals deemed necessary for the project to proceed.
- (d) Recipients must acknowledge the financial support provided by the department in any publication or media coverage arising from their project or activity.
- (e) The government may terminate, suspend or reduce the scope of the agreement if the recipient fails to comply with the terms of the agreement.
- (f) In reviewing and prioritizing applications, the department will consider an applicant's previous record of compliance with reporting and other requirements or commitments made under prior agreements.
- (g) The *Access to Information and Protection of Privacy Act* applies to all aspects of funding under this policy, and of the content, financial management, and general performance of any agreement signed under this policy.
- (h) Recipients must provide communications with and services to the public in Inuktitut,

together with any other language used, if any, that are necessary to ensure compliance with section 3 of the *Inuit Language Protection Act* (Nunavut).

APPEAL

- (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 EDT. The Deputy Minister will make final decisions regarding appeals under this policy as outlined in the schedules of this policy.

FINANCIAL RESOURCES

In compliance with section 46 of the *Financial Administration Act*, R.S.N.W.T. 1988c.F-4, as duplicated in Nunavut pursuant to the *Nunavut Act (Canada)*, it is a statutory condition that an expenditure pursuant to this policy will be incurred only if there is a sufficient uncommitted balance in the appropriated item for the fiscal year in which the expenditure is required under the agreement.

PREROGATIVE OF CABINET

Nothing in this policy shall in any way be construed to limit the prerogative of the Executive Council to make decisions or take action respecting community engagement support programs outside the provisions of this policy.

SUNSET

This policy will sunset on December 1, 2023.

SCHEDULE: COMMUNITY ENGAGEMENT SUPPORT PROGRAM (CESP)

Purpose

The Department is committed to supporting the responsible development of Nunavut's mineral resources through targeted financial assistance to community organizations, mineral exploration and junior mining companies carrying out engagement activities considered to be in the public interest.

The Community Engagement Support Program will provide financial support during a project's development, prior to the formal regulatory process for mine construction and operation. Those projects that can demonstrate a meaningful commitment to engage Nunavummiut in a manner that is consistent with community priorities are the ideal applicants.

Roles and Responsibilities

Director, Minerals and Petroleum Resources

The Director, Minerals and Petroleum Resources (or designate) will review the applications and provide a letter of response to applicants within 45 days.

Deputy Minister of EDT

The Deputy Minister of EDT shall make final decision regarding appeals for contributions under the Community Engagement Support Program.

Eligibility

Eligibility for contributions is limited to Community Organizations and Exploration Companies that:

- (a) include a draft Community Engagement Plan that considers the communities closest to the project location, identifies potential concerns and benefits, and endeavors to meaningfully engage communities in project planning, monitoring, and reporting;
- (b) provide signed authorization by a Community Organization and the Exploration Company indicating that they have reviewed and approved the draft Community Engagement Plan;
- (c) maximize the use of Nunavut goods and services, including direct employment (these applications will be ranked higher than comparable applications that do not).

Eligible Activities and Expenses

- (a) Costs associated with direct community engagement, including:
 - i. hiring of a project liaison employee or employees;
 - ii. cost of travel to impacted communities for engagement activities;
 - iii. document/map preparation (must be translated);
 - iv. facilitation services;
 - v. translation and interpretation services;
 - vi. facility rental;

- vii. advertising;
 - viii. catering; and
 - ix. other costs associated with direct community engagement.
- (b) Costs associated with the development of submissions, including:
- i. consulting services facilitating communities contribution to the following submissions:
 - (a) final Community Engagement Plan;
 - (b) community Engagement Summary Report; and
 - (c) final Report of Community Engagement.
 - ii. translation services (all submissions must be translated).
- (c) Costs associated with community organizations engaging technical expertise to understand and evaluate information provided during the engagement process.

Ineligible activities and expenses

- (a) Salaries of direct employees involved in the community engagement, other than those provided to project liaison employees; and
- (b) In-house services (printing, translation, etc.).

Review

To apply for CESP funding, applicants must submit a completed application form and a draft Community Engagement Plan by March 31st of a given year before the planned activities.

Applications received after this date will be subject to the availability of unallocated funding. This date is to encourage companies to inform communities of their planned project as early as possible, allowing time for the two organizations to coordinate an engagement plan. CESP funding is only available for the span of one year.

The demand for CESP funding may be higher than supply in any given year. Accordingly, funding will be subject to a transparent evaluation process where the application package will be graded against a well-defined set of criteria. The general evaluation criteria areas include community involvement, technical and financial feasibility, local economic benefit, and environmental stewardship.

Evaluation criteria

- (a) Community involvement:
 - i. documented record of consultation;
 - ii. community involvement and approval;
 - iii. feasible engagement methods and dates;
 - iv. commitment to use feedback in project planning; and
 - v. commitment to engage communities before and after the project activities occur; and
 - vi. creation of municipal project liaison positions in relation to the project.
- (b) Technical and financial feasibility:
 - i. reasonable estimates of costs.

- (c) Local economic benefit:
 - i. use of Nunavut labour;
 - ii. use of Nunavut goods and services; and
 - iii. use of a Nunavut community or communities as a logistical hub.
- (d) Past management performance:
 - i. 'northern' engagement experience; and
 - ii. demonstrated ability to carry out engagement plan.
- (e) Environmental stewardship:
 - i. awareness of operating environment; and
 - ii. commitment to incorporate community feedback into:
 - (a) management plans (archaeology, wildlife, etc.);
 - (b) closure and reclamation plans.

Supporting Data

- (a) Exploration Company information:
 - i. name of company and contact details (address, email, telephone, etc.);
 - ii. name of property and project location (NTS map sheet and UTM coordinates);
 - iii. mineral tenures and license numbers (if applicable);
 - iv. indicate if greenfield or brownfield project; and
 - v. experience of board of directors and senior management.
- (b) Description of exploration program, including:
 - i. purpose of project;
 - ii. commodity:
 - (a) current and past market prices for the commodity (-ies); and
 - (b) host rock to be mined, minerals, deleterious elements or properties, if any.
 - iii. property description and location:
 - (a) geological setting (regional, local, and mineralization);
 - (b) environmental setting; and
 - (c) supporting maps.
 - iv. summary of historical work and ownership arrangements (if applicable);
 - v. anticipated start/completion date;
 - vi. detailed work plan:
 - (a) number of employees/contractors;
 - (b) accommodations;
 - (c) logistics;
 - (d) exploration methods;
 - (e) health and safety precautions;
 - (f) survey areas;
 - (g) supporting maps;
 - (h) reclamation plans; and
 - (i) anticipated documentation and reports.
- (c) Preliminary community engagement plan:

- i. outline goals of engagement;
 - ii. identify relevant stakeholders;
 - iii. proposed communication methods;
 - iv. timing of community visits;
 - v. how to integrate feedback into operations;
 - vi. ongoing communication;
 - vii. final community takeback; and
- (d) Anticipated expenditures:
- i. an accurate estimate of the engagement budget;
 - ii. a breakdown of individual cost estimates; and
 - iii. indicate which expenses are eligible for CESP funding.
- (e) Terms and Conditions:
- i. signed and dated acknowledgment that the potential recipient has read and completely understood the Program and this Policy; and
 - ii. signed and dated acknowledgement that the potential recipient will comply with all terms and conditions as expressed within this Policy.
- (f) Demonstration of need for CESP funding
- i. Declaration that the recipient is not generating mineral revenue at the time of application.

Accountability

Community engagement activities must be completed as approved. Any significant changes must be approved in advance.

Funding recipients will provide a final submission package by January 31st of the fiscal year in which the application was approved. The submission package must include:

- (a) Final Community Engagement Plan
- (b) Community Engagement Summary
- (c) Final Report of Community Engagement and Follow-up
- (d) Schedule of Revenue and Expenses of the project to include:
 - o Allocation of funding
 - o Percentage of funds expended in Nunavut
 - o Amount of total funding used for liaison staff salaries

All funding recipients agree to public disclosure and will provide copies of receipts, invoices, and/or Schedule of Revenue and Expenses as part of their final submission package if requested by the Department.

The Department will treat all submissions described herein as confidential for a period of three (3) years from the date of receipt of the final report.

Amount

The maximum funding amount is \$100,000. Where funding is awarded, 60% of the funding will be provided in advance of proposed activities; the remaining 40% of funding will be withheld until the Final Report and expenses have been approved and verified by the Department.

Payment

Payments will be issued in installments, as per the terms of the Contribution Agreement. Funds will be provided as contributions; grants will not be issued under this policy.

Term

Contributions will be awarded on an annual basis, with a reporting period from April 1 to March 31 of each fiscal year. Successful applicants will be eligible to submit new proposals for consecutive or subsequent project years and phases. Applications for multi-year funding will not be considered.