

Workshop
Economic Development in Nunavik
Kuujuaq, Quebec
May 14-16, 2002

WORKSHOP

NUNAVIK ECONOMIC DEVELOPMENT

Kuujuak, May 14 to May 16, 2002

Facilitator: Ms. Laurie Forman

TENTATIVE AGENDA ITEMS

1. **Introduction**
Welcome to participants
Agreement on minute taking/reporting to Forum
Approval of agenda
2. **Federal Proposal**
Industry Canada
Canada Economic Development
Indian Affairs and Northern Development
3. **Inuit priorities and structures** *é.t.*
Kativik Regional Government
Nunavik Investment Corporation
Makivik Corporation
Federation of Cooperatives of Nouveau-Québec
4. **Quebec Programs**
Ministère des Régions, Nord-du-Québec
5. **One window approach**
How can this be done ?
What resources would be needed ?
Standardized application forms ?
6. **Plan of action**
Confirm roles and mandates
Funding
Staffing and recruitment
Monitoring and reporting
7. **Next steps**



AGREEMENT

Canada Economic Development

and

Nunavik Investment Corporation

Objectives

The Community Futures Development Program supports the development of local employment opportunities and assists communities in facing severe labour market problems by:

- Effectively organizing their resources to assess local problems and opportunities.
- Establishing realistic objectives for the development of communities.
- Formulating and managing appropriate plans, and implementing strategies that are critical to the success of their plan and that promise significant labour market impacts.

Terms of the Agreement

The agreement covers the period commencing on **April 1, 2002** and ending on **March 31, 2006**.

Contributions to eligible operating costs

Subject to all other provisions of this Agreement, Canada Economic Development will make a contribution to the Corporation corresponding to the eligible operating costs of the Corporation's regular activities up to a maximum of:

\$255,000 per year (April 1, 2002 to March 31, 2006) comprised of \$235,000 in operating costs and \$20,000 in travel expenses.

NIC will also have access to a dedicated envelope managed by the CFDC Network.

Dedicated envelope

- The CFDC Network (Réseau des SADC) has been given an annual envelope of \$300,000 which can be distributed for training activities, salary increases and enterprise follow-up.

In order to qualify for a portion of the envelope, NIC would have to be a member of the CFDC Network.

Contributions to capitalization costs

Canada Economic Development may contribute to the Corporation's investment fund capitalization costs by:

- crediting to the Corporation's investment fund a non-repayable contribution to increase the fund's assets to \$1.55 million in Government of Canada contributions.
- crediting to the Corporation's investment fund a non-repayable contribution to restore it to the \$1.55-million threshold in the event of a decrease in the value of investment fund assets to below the \$1.55-million threshold as a result of circumstances that the Minister deems superior force.

Terms of payment

Upon signing of the Agreement by the parties and upon the Corporation's compliance with the information required by **Canada Economic Development in form and detail**, the Corporation will receive an advance covering its estimated financial requirements for **the first quarter of the funding period**.

Canada Economic Development will make subsequent **advances on a monthly basis**.

Documents to be submitted

▪ **No later than 30 days prior to the start of each funding period, the Corporation shall submit to Canada Economic Development budget estimates and an action plan for the activities that the Corporation will carry out during the year concerned and state the targeted objectives (in compliance with the continuous performance measurement elements - Schedule 7).**

▪ **Within the 90-day period following each fiscal year in which Canada Economic Development may issue payments, the Corporation undertakes to submit to Canada Economic Development:**

- **an annual report of its activities carried out during the period concerned in compliance with the objectives and results specified in Schedule 7.**
- **a copy of its audited financial statements for the year concerned (performed by an independent accounting firm).**

Documents to be submitted

The Corporation shall provide Canada Economic Development with reasonable notice of **all meetings of the Corporation's Board of Directors and the date and location of such meetings** and shall authorize Canada Economic Development representatives to attend and provide them with all documentation relative to each meeting.

Diligent and professional management

- **Funds advanced** to the Corporation pursuant to this Agreement shall be recorded in separate accounts and not mixed with any funds of the Corporation that are subject to any agreement entered into by the Government of Canada and the Corporation within the framework of the **Aboriginal Capital Corporations Program**.

- All payments in respect of the contribution to the capitalization costs shall be credited to the Corporation's Investment Fund as soon as they are received. All revenues from loans and other investment fund activities, all revenues from ancillary investments out of the investment fund, and all repayments of principal in respect of loans from the investment fund shall also be credited to the Investment Fund.

Conflict of Interest Provisions

Restrictions on investment fund activities

The Corporation shall not make a loan to or guarantee the repayment of a loan made to:

- a) a director, officer or employee of the Corporation or to a corporation with which a director, officer or employee of the Corporation is associated;
- b) a member of the immediate family of a director, officer or employee, including the spouse, common-law spouse or child;
- c) an incorporated business in which any of the persons mentioned in the above sections has an interest. This restriction also applies to a capital interest in an enterprise.

Goods and services contracts

The Corporation may not enter into goods and/or services contracts with a director or a business in which a director, or the spouse or child of a director, has an interest unless:

- the decision is made by the full board, irrespective of the existing contracting authorities;
- the conflict of interest is declared by the director and recorded in the minutes of the board meeting;
- the director absents him/herself from the decision and refrains from trying to influence board members;
- a minimum of three independent competitive bids is obtained;
- the contract offering the lowest cost or best value is selected after very careful examination of the bids received.

Official Languages of Canada

- a) any notice, announcement or other matter relating to Corporation activities is to be printed in a publication for the information primarily of members of the **English or French** speaking communities, or
- b) any services are to be provided or made available by the Corporation to members of the community.

Canada Economic Development may contribute to the translation of documents into French in order to be published in French newspapers.

Continuous Performance Measurement

Number of local development projects:

- Projects initiated by the CFDC;
- Projects in which the CFDC is a partner;
- Projects in which the CFDC provides support.

Impact of the activities:

- Mobilization of the communities;
- Knowledge development;
- Takeover of projects;
- Independance of organization.

Number of investment projects

Number of technical assistance projects

Number of projects in start-up phase

Number of projects in expansion phase

Leverage effect of activities

Total amount of loans disbursed

CFDC activity impact indicators

Percentage increase in sales of enterprises targeted by CFDC initiatives

Number of jobs created and maintained

Client satisfaction index

Figure 3.1

Realizing Nunavik's Business Potential

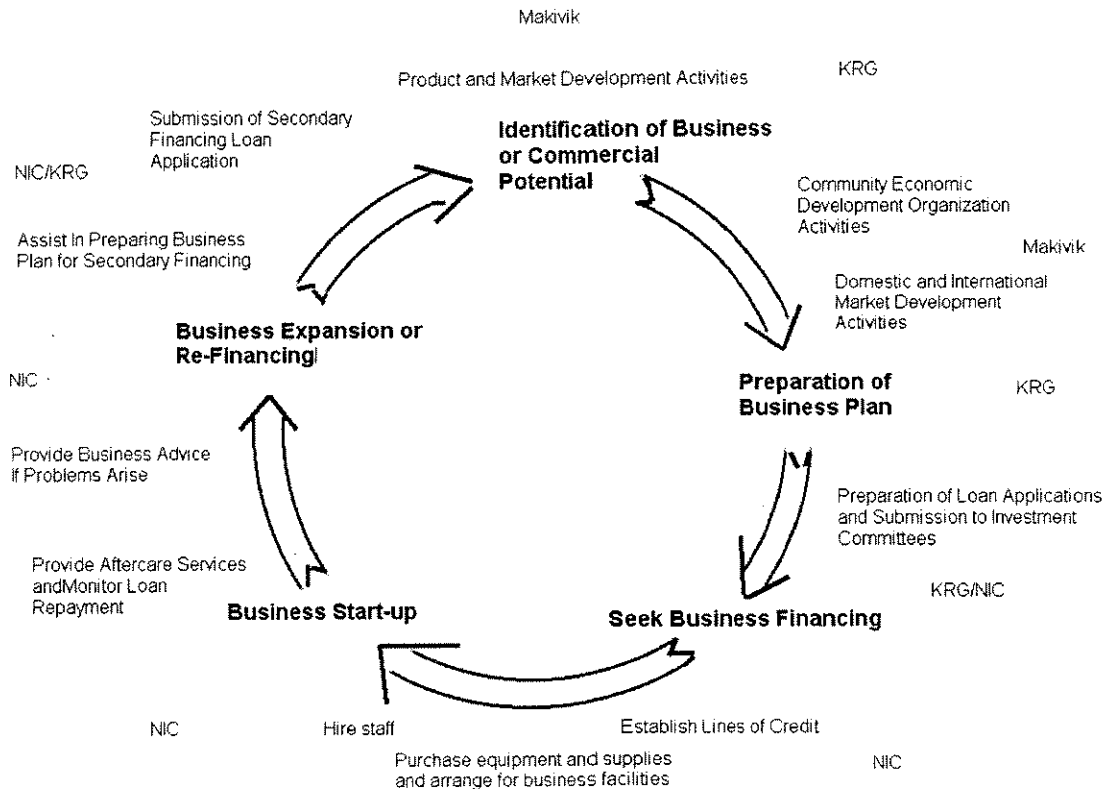


Figure 3.1 also summarizes the types of intervention activities that will need to be provided by the service delivery structure throughout each of the five key stages of the development cycle. To put this in negative terms, the service delivery system must ensure that there are no “gaps” in the business development cycle in terms of the provision of business support services to entrepreneurs in the region. For example, the system will not be effective if it has great business advisory services and aftercare, but no sources of loan capital for entrepreneurs. Conversely, the provision of business loans to business ventures in the region without the provision of aftercare services is likely to lead to high loan losses and the needless collapse of many of the new business ventures.

BUSINESS DEVELOPMENT CYCLE

In the table below, we depict business needs, and the services that should be offered during each stage of the business life cycle. These are not exhaustive, but we have labelled the essential elements, and coupled these with the organizations delivering first line business services to the aspiring entrepreneur and the business in Nunavik.

<i>Business Development Stage</i>	<i>Services / Needs</i> <i>Required</i>	<i>Available in Nunavik?</i> <i>And BY WHO?</i>
<i>Idea</i>	Feasibility of the project & entrepreneur training	KRG / KRDC officer
<i>Start-up</i>	Entrepreneur training: Basics Business Plan / related studies Seed & Initial Financing Developmental Loan Book Keeping Training (all aspects)	KRG (R&EDD)(ad-hoc) KRG & NIC (limited in scope) KRG, (NIC- equity) KRG & NIC Not Available KRDC: Ad-hoc basis, lack of resources. Employment Training of KRG-ETISCC geographic coverage limited. **
	Loan disbursement Aftercare & business advisory.	Literally Little to No Aftercare

These programs and services are provided on an ad-hoc basis and are not guaranteed. They are subject to change without notice. For more information, please contact the author at (867) 920-0000 or (867) 920-0001.

FOR DISCUSSION WITH MANAGEMENT ONLY- SUBJECT TO AMENDMENT, NOT TO BE FURTHER COMMUNICATED

BUSINESS DEVELOPMENT CYCLE

<u>Business Development Stage</u>	<u>Services Required</u>	<u>WHO in Nunavik?</u>
<i>Development</i>	Business Aftercare: planning, Financial Advice	Not Available
	Training	CEDO / KRDC (ETISCC-Employment Training Income Security)
	Financial Planning / Bookkeeping	Little to none existent
	Business Advisory / Consulting	Little to none existent
	Finance	Kuujuamiut; economic assistance fund, (Kuujuamiut, is for Kuujuuaq only, and this is not the primary use of the fund) .KRG, NIC
	Bookkeeping, Aftercare	None
<i>Growth</i>	Business planning, /Financial Advice	Little to none: Costly
	Training	KRG: ETISCC (to be defined)
	Financial Planning / Bookkeeping	None
	Business Consulting	Ad hoc, need basis
	Loans	KRG, NIC, Kuujuamiut,
<i>Maturity</i>	Made to measure Services	Banks, private sector, etc. (absent)
	CIBC Commercial services are in Sept Iles P.Q.	
	There is little flexibility in lending criteria: loan guarantees required.	
<i>Increased Sophistication</i>	Same as Maturity	Mainstream Financial Services. Not



**La Fédération
des Coopératives
du Nouveau-Québec**

19950 Clark Graham
Baie d'Urfé, Qué.
H9X 3R8
Tél.: (514) 457-9371
Télécopieur: (514) 457-4626

Yves Michaud
Directeur général adjoint



**LA FÉDÉRATION DES
COOPÉRATIVES DU
NOUVEAU-QUÉBEC**

Rob Collins
Directeur général
General Manager

19950 Clark Graham,
Baie d'Urfé, Québec
Canada H9X 3R8
☎ 514. 457. 9371
514. 457. 9375, x335
☎ 514. 457. 4626
✉ rob.collins@fcnq.ca

Québec

**Ministère
des Régions
Nord-du-Québec**

Joseph Marc Laforest
Conseiller

511, Route 167, C.P. 70
Chibougamau (Québec) G8P 2K5
Téléphone : (418) 748-7737
Télécopieur : (418) 748-7841
jm.laforest@mreg.gouv.qc.ca
www.mreg.gouv.qc.ca

(613) 270-1030

Fax (613) 270-1030

Don Axford
Consultant

daxford@pall.ca

56 Herschel Cr.
Kanata, ON
K2L 1Z6

FORMAN ET ASSOCIÉS INC.

Laurie A. Forman
Associée principale

137 St-Pierre
bureau 218
Montréal (Québec)
H2Y 3T5

téléphone: (514) 847-0197
télécopieur: (514) 847-9020
courriel: laurief@qc.aira.com

Jean Boucher

Complexe Jacques-Cartier
3ième étage
320, rue St-Joseph Est
Bureau 400
Québec QC G1K 9J2
Tél. : (418) 951-7590
Fax : (418) 648-7685

Complexe Jacques-Cartier
3rd Floor
320 St-Joseph Street East
Suite 400
Québec QC G1K 9J2
Tel. : (418) 951-7590
Fax : (418) 648-7685

Internet : boucherj@inac.gc.ca



Affaires indiennes
et du Nord Canada

Indian and Northern
Affairs Canada

Jean Boucher

Conseiller
Développement économique

Advisor
Economic Development

Politiques et relations
intergouvernementales

Policy and
Intergovernmental Relations

Canada

Suzanne Larochelle

Complexe Jacques-Cartier
3ième étage
320, rue St-Joseph Est
Bureau 400
Québec QC G1K 9J2
Tél. : (418) 951-3511
Fax : (418) 648-5086

Complexe Jacques-Cartier
3rd Floor
320 St-Joseph Street East
Suite 400
Québec QC G1K 9J2
Tel. : (418) 951-3511
Fax : (418) 648-5086

E-MAIL : larochelles@inac.gc.ca



Affaires indiennes
et du Nord Canada

Indian and Northern
Affairs Canada

Suzanne Larochelle

Négociateur

Negotiator

Négociation et mise en œuvre
des ententes

Agreements Negotiation
and Implementation

Canada



Canada Economic
Development
for Quebec Regions

Développement
économique Canada
pour les régions du Québec

Daniel Ricard

Director
Northern Quebec Region

Tour de la Bourse, 800 Victoria Square
Suite 3800, P.O. Box 247, Montréal, Québec H4Z 1E8
☎ (514) 496-7609 1-800-561-0633
☎ (514) 283-3637

E-Mail : ricarda0@dec-ced.gc.ca

Canada

IDEA - SME
ISO 9002
CERTIFICATION



Indian and Northern
Affairs Canada

Affaires indiennes et
du Nord Canada

Michael L. Rice

Senior Policy Manager
Strategic Initiatives

Economic Development

P. O. Box 1483, Pitt Street
Kahnawake, Qc J0L 1B0
Ottawa ON K1A 0H4

(450) 632-9165 Fax: (450) 632-1291
E-mail: riceml@inac.gc.ca

Canada



Canada Economic
Development
for Quebec Regions

Développement
économique Canada
pour les régions du Québec

Richard Lecompte

Program Officer
Northern Quebec Region

Tour de la Bourse, 800 Victoria Square
Suite 3800, P.O. Box 247, Montréal, Québec H4Z 1E8
☎ (514) 496-5806 1-800-561-0633
☎ (514) 283-3637

E-Mail : richard.lecompte@dec-ced.gc.ca

Canada

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CERTIFICATION



Industry Canada

Industrie Canada

Aboriginal Business
Canada

Entreprise autochtone
Canada

Marc P. Boucher

Acting Manager-Quebec and Nunavut

5 Place Ville-Marie, 7^e Floor, Suite 700
Montreal, Quebec H3B 2G2

Tel: (514) 283-1793 Fax: (514) 283-1843
Internet: boucher.marc.mtr@ic.gc.ca

Canada

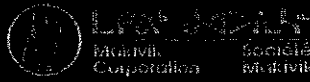
ᐱᐱᐱᐱ / Montréal
 1111 Dr. Frederik-Philips Blvd, 3rd Floor
 St. Laurent, Quebec H4M 2X6
 ☎ (514) 745.8880 / 1.800.361.7052
 📠 (514) 745.3700

www.makivik.org

ᐱᐱᐱᐱ / Ottawa
 170 Laurier Avenue W, Suite 504
 Ottawa, Ontario K1P 5V5
 ☎ (613) 234.5530
 📠 (613) 234.6297

ᐱᐱᐱᐱᐱᐱ
 Head Office: Kuujuaq
 Siège Social: Kuujuaq
 P.O. Box 179
 Kuujuaq, Quebec J0M 1C0
 ☎ (819) 964.2925 / 1.877.625.4825
 📠 (819) 964.2613

ᐱᐱᐱᐱ / Québec
 555 Grande-Allée E.,
 Québec (Québec) G1R 2J5
 ☎ (418) 522.2224
 📠 (418) 522.2636



ᐱᐱᐱᐱ • our land notre terre
 ᐱᐱᐱᐱ • our people notre peuple
 ᐱᐱᐱᐱ • our future notre avenir

Kuujuaq Head Office
 P.O. Box 179
 Kuujuaq (Quebec) J0M 1C0

☎ (819) 964.2925
 1.877.625.4845
 📠 (819) 964.2613



ᐱᐱᐱᐱᐱᐱ
 Makivik Corporation Société Makivik

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 ᐱᐱᐱᐱᐱᐱᐱᐱᐱᐱ
 Adamic Alaku
 Vice-President
 Economic Development

a_alaku@makivik.org



ᐱᐱᐱᐱᐱᐱ
 Makivik Corporation Société Makivik

Charles Dorais
 Department Head
 Economic Development

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Montreal Office
 Tel.: (514) 745-8880
 Fax: (514) 745-3700

Kuujuaq Office
 Tel.: (819) 964-2925
 Fax: (819) 964-2613

P.O. Box 179, Kuujuaq QC J0M 1C0 Toll-free: 1 (877) 625-4845
 c_dorais@makivik.org

Kuujuaq Head Office: P.O. Box 179, Kuujuaq QC J0M 1C0
 c_stlouie@makivik.org

Kuujuaq Head Office: P.O. Box 179, Kuujuaq QC J0M 1C0



ᐱᐱᐱᐱᐱᐱ

Caroline St-Louis
 Agente de Développement Économique
 Développement Économique

Tel.: (819) 964-2925 Sans-frais: 1 (877) 625-4845
 Téléc.: (819) 964-2813



ᐱᐱᐱᐱᐱᐱ

ᐱᐱᐱᐱᐱᐱ
 Développement

Tel.: (819) 964-2925 Sans-frais: 1 (877) 625-4845
 Téléc.: (819) 964-2613

Siège social de Kuujuaq: C.P. 179, Kuujuaq QC J0M 1C0
 c_stlouie@makivik.org

Siège social de Kuujuaq: C.P. 179, Kuujuaq QC J0M 1C0
 a_greene@makivik.org

Memo

To: Pita Aatami, Johnny Peters, Adamie Alaku, George Berthe, Anthony Ittoshat, Fafa Rouhani-Negad, Cely Casia, Sam Silverstone, Victor Mesher, Jocelyn Barrett, Louise Ducap, Jusipi Agma, Tikile Kleist, Charles Dorais, Neil Greig, Austin Greene, Caroline St-Louis, Vicky Gordon, Jeannie Tukkiapik, Lisa Koperqualuk, Michelle Gagnon,

From: Don Allard

CC: Don Axford

Date: February 25, 2003

Re: Economic Development Strategy Session - March 18-19, Kuujuaq

Given the number of organizations existing in Nunavik that have specific mandates for economic development in Nunavik, the Makivik Executive have agreed to hold an Economic Development Workshop for all Executives, senior staff and the Economic Development Department.

This meeting will be held on March 18 & 19 in Kuujuaq and will be connecting with the Montreal office for the southern staff. The meeting will begin at 1:30 p.m. in the Kuujuaq boardroom.

The purpose of the meeting will be to identify the main economic development agencies in Nunavik and to examine the mandates, focus, delivery mechanisms as well as budgets. In addition, a review of their main federal and provincial funding agencies will be undertaken so as to permit Makivik to define what its main role and focus should be in regards to its participation and coordination with other Nunavik agencies. Furthermore this review will allow Makivik to develop a long term development plan for the Sannarutik Funds which have been entrusted to us for Economic Development.

Mr. Don Axford has been asked to prepare the essential background documents on Nunavik economic development agencies as well as federal and provincial funding agencies. He will be in Kuujuaq to make this presentation at 1:30 p.m. on March 18. Please ensure you are in attendance. An agenda will be distributed in the coming days.

Don Allard

March 7, 2002

**NUNAVIK ECONOMIC DEVELOPMENT
FEDERAL PROPOSAL**

1. Annex F

Federal departments' view is that the existing Annex F and its concepts are largely still valid despite some name-changes by the participant departments.

2. Capacity is the issue

Federal departments see the most fundamental problem as one lack of capacity on the part of Nunavik Economic Development bodies, (NIC, Kativik Regional Government - KRG, Kativik Regional Development Corporation - KRDC); which in turn handicaps their ability to optimize the potential of NIC's investment funds, as well as other possible resources such as DIAND's Economic Development opportunity funds.

In particular the problem is the lack of resources to enable Nunavik economic development authorities to place staff in strategic locations across the territory, to advise local entrepreneurs and put together project proposals for presentation and approval by the NIC or by federal departments;

3. Departments' offers of assistance to address capacity

With a focus on addressing capacity, federal departments are willing to negotiate to provide the following resources - initially on a pilot basis, and subject to annual evaluation:

from Industry Canada - Aboriginal Business Canada (ABC)

- funding for an External Development Officer (XDO) for KRG by ABC, together with an annual assessment and an "accountability accord";
- depending on favourable results of the annual assessment, during which the need for an XDO must be demonstrated within 1 to 3 years, the possibility to moving to Alternative Service Delivery;
- there may be a possibility of participating in an access-to-capital (AtC) initiative; however this is a sunseting program, and there is no indication that NIC has yet accessed AtC programming.

from Canada Economic Development

- an additional \$255,000 from CED to provide operational funding to the Nunavik Investment Corporation;
- the possibility of a liaison officer between CED and NIC with a particular mandate for “capacity building” activities;
- eventually, NIC could deliver a CED program specifically related to business development and capacity building. This program - Nordic enterprise development - would offer coaching services to small businesses.

from Indian Affairs and Northern Development

- pilot project resources to enhance the regional CED delivery capacity, renewable annually conditional on CED program review”

4. Single Window

The provision of more capacity within the Nunavik economic development structures (KRG) would be a better way to create a “single window” for accessing federal programs. Placing that capacity within KRG would also allow it to be used to access opportunities from other sources, e.g. Quebec programs.

5. Workshop Proposal

Federal departments (IC-ABC, CED, INAC) propose a process to be launched with a workshop funded by Canada involving all of the Nunavik actors (including the FNCQ) and all federal actors; possibly moderated by an outside animator.

The purpose of the workshop would be to:

- a. provide an opportunity for all the economic development organizations in Nunavik to focus on their development priorities and objectives;
- b. Clarify roles among the parties, and establish how they could best collaborate among themselves; and
- c. Determine how existing federal programs (such as those proposed above) can best support the identified development objectives and priorities.

A secretariat could be established and funded to follow up on the results of the workshop, with the ability to provide coaching and hold follow-up sessions to promote progress.

The focus is to build capacity!

Such an interventionist approach as is being proposed here would be quite unique, and unlike anything that has been provided to other native groups.

Comparative Review of Economic Development Programs in the Nunavik Region - Summary

Department / Program Name	Clients	Type of Assistance	Funding Limits	Conditions	Program Delivery
<u>Canada Economic Development</u>					
Small Business IDEA Program	SMEs in region	Contributions/Grants	\$750K for loans No set amounts	Repayment and reporting policies Reporting and other	Outside Nunavik Outside Nunavik
Regional Strategic Initiatives	Public and private individuals and corporations	Contributions			
Community Futures Program	CFDCs	Capital/Contributions	\$1.55M total capital \$255K/year for operations (NIC sets loan limits)	Reporting and other	Nunavik Investment Corporation (CFDC)
<u>Indian and Northern Affairs</u>					
Community Economic Development Program	Aboriginal organizations	Contributions	CEDO funding to KRG (KRG sets loan limits)	Reporting and other	KRG R&ED Dept. (as Nunavik's CEDO)
Opportunity Fund Program	Aboriginal businesses	Contributions (matching)	\$500K for capital and operating costs	Reporting and other plus 25% equity/10% cash/40% fed limit.	KRG R&ED Dept (as Nunavik's CEDO)
Regional Partnerships Fund	First Nation and Inuit govts, organizations and community enterprises	Contributions	66% of total project value	Partnerships must include non-federal Partners. Agreement needed.	Outside Nunavik
<u>Industry Canada / ABC</u>					
Strategic Business Investments	Aboriginal businesses	Contributions	\$75K for project costs	15% equity (10% youth) and 5% cash	Outside Nunavik
Strengthening Aboriginal Financial and Business Development Organizations	Aboriginal financial and bus dev organizations	Contributions (previously also capital)	ABC set limits for ACCs (NIC sets loan limits)	Reporting and other	NIC (CFDC) also has an ACC loan fund.

Comparative Review of Economic Development Programs in the Nunavik Region - Summary

Department / Program Name	Provides Advice and Assistance to Firms and Entrepreneurs	Funding Source for Pre-commercial Studies of Products & Markets	Funding Source for Preparation of Business Plans	Funding Source for Raising Equity for Businesses	Provides Loans to Businesses for Start-up & Expansion
<u>Canada Economic Development</u>					
Small Business IDEA Program	CED office in Montreal	yes	yes	no	no
Regional Strategic Initiatives	CED office in Montreal	yes	yes	no	no
Community Futures Program	NIC (CFDC)	no	no	no	yes - NIC (CFDC)
<u>Indian and Northern Affairs</u>					
Community Economic Development Program	CEDO officers (KRG R&ED Dept.)	yes	yes	yes	yes
Opportunity Fund Program	INAC office Que. City and CEDO officers	no	no	yes	no
Regional Partnerships Fund	INAC office Que. City	yes	yes	no	no
<u>Industry Canada / ABC</u>					
Strategic Business Investments	ABC office in Montreal (possible EXDO role)	yes	yes	no	no
Strengthening Aboriginal Financial and Business Development Organizations	NIC (CFDC) as an ACC (possible EXDO role)	no	no	no	Yes - NIC (CFDC) as an ACC

Comparative Review of Economic Development Programs in the Nunavik Region

Department / Program Name	Program Objectives	Eligible Clients	Program Priorities	Eligible Activities/Costs
<p><u>Canada Economic Development</u></p> <p>Small Business IDEA Program (IDEA / SME)</p>	<p>To promote economic development in areas of Quebec where low incomes and slow economic growth are prevalent or job opportunities inadequate; to emphasize long-term economic development and creation of sustainable jobs and income; to focus on small and medium-sized enterprises (SMEs) and the development and enhancement of entrepreneurship.</p>	<p>Clients are SMEs located in every region of Quebec and a variety of local and regional development players – mainly business associations and economic development organizations. CED works with various intermediary groups, which make up its business network.</p> <p><u>Innovation and Productivity program</u> priority and <u>Market Development</u> priority targeted at small business as well as joint ventures, associations and support groups of business. <u>Entrepreneurship-Business Climate</u> program priority targeted at business alliances and economic development groups in Quebec regions. Special attention is also paid to youth initiatives under the Entrepreneurship priority.</p>	<p><u>Innovation and Productivity</u></p> <ul style="list-style-type: none"> - Sensitizing small business to the necessity of integrating R&D and Design (RDD) into its existing operations - Promoting the marketing of products resulting from RDD efforts - Disseminating trial results potentially useful to other small businesses or a given sector <p><u>Market Development</u></p> <ul style="list-style-type: none"> - The development of international trade products - The marketability of tourist products - Access to public markets <p><u>Entrepreneurship-Business Climate</u></p> <ul style="list-style-type: none"> - Priorities for entrepreneurship and business climate development established on a regional basis. 	<p>Studies and strategic plans related to the development of a product, procedure or innovative service; work to adapt a product or service; marketing plans for innovative products or services; identification and assessment of technologies; promotion of RDD; demonstration and dissemination of innovations; technology studies.</p> <p>Expert studies; support activities for new exporters; prepare/organize/implement fairs; conferences, seminars, trade shows; assistance to management for marketing know-how; help to establish business networks/alliances.</p> <p>Prepare/organize/hold trade shows, seminars, conferences; bursaries and awards; support for business competitions and information centres.</p>

Comparative Review of Economic Development Programs in the Nunavik Region

Department / Program Name	Type of Assistance	Funding Limits	Conditions of Funding	How Clients Apply
<p>Canada Economic Development Small Business IDEA Program (IDEA / SME) (cont'd)</p>	<p>Financial assistance for projects eligible under the program may be in the form of repayable or non-repayable contributions or grants.</p> <p>Funding is not available for the regular operating costs of businesses, equity for new businesses or expansion of existing businesses, or for the subsidization of businesses.</p>	<p>There are no overall set dollar limits to the funding amounts that are available for projects that are approved under the IDEA/SME program.</p> <p>In the case of repayable contributions to business enterprises, there is a limit of \$100,000 for such "loans". The loans do not bear interest and there is a grace period of two years before the repayments must begin in order to give time for the venture to get established.</p>	<p>In the case of contributions, the assistance must comply with contribution repayment policies and shall not normally exceed 50% of approved costs.</p> <p>Assistance in the form of grants provided for awards, prizes and internships may be up to 100% of costs.</p> <p>Once projects have been approved, the Minister sends a Letter of Offer to the project proponent. The amount of the contribution, the project schedule, and the various conditions that are attached to the contribution are set out in the Letter of Offer. Payment of contributions is conditional upon clients submitting a documented claim satisfactory to the Minister.</p>	<p>There are currently no application forms, but Canada Economic Development is working on an on-line version of an application form that should soon be available on the CED web site.</p> <p>Clients submit their project funding requests by way of correspondence, which incorporates or attaches the project proposal and the amount of funding requested.</p> <p>Officials at CED analyse the project proposal to determine if it is admissible. If additional information is necessary, the client is contacted to this effect. Once approved, the Letter of Offer is sent to the client along with a "payment kit" to assist the client in making a proper claim.</p>

Comparative Review of Economic Development Programs in the Nunavik Region

Department / Program Name	Program Delivery (Outside Nunavik Region)	Location of Services (Outside Nunavik Region)	Program Delivery (Within Nunavik Region)	Location of Services (Within Nunavik Region)
<p>Canada <u>Economic Development</u></p> <p>Small Business IDEA Program (IDEA / SME) (cont'd)</p>	<p>There are fourteen regions within Quebec that are served by CED as an Agency of the Government of Canada. The "Nord-du-Québec" region covers the Inuit, James Bay Cree, and Jamesbasian communities of northern Quebec. The regional business network for the "Nord-du-Québec" region includes the CFDCs, regional development councils and local development societies in the region. CED, as a government Agency, does not have any staff or offices in any of the communities located in the Nunavik portion of the "Nord-du-Québec" region.</p>	<p>The services that are provided to the "Nord-du-Québec" region by CED are provided by officials that are located in the Agency's headquarters, which are located in the Tour de la Bourse, 800 Square Victoria, Suite 3800, in Montreal.</p> <p>The "Nord-du-Québec" region has a Director who is responsible for the delivery of services in the region and a staff of three or four people who assist the Director.</p>	<p>CED does not directly deliver any of its programs within the Nunavik region.</p>	<p>None.</p>

Comparative Review of Economic Development Programs in the Nunavik Region

Department / Program Name	Program Objectives	Eligible Clients	Program Priorities	Eligible Activities/Costs
<p><u>Canada Economic Development</u> Regional Strategic Initiatives (RSI)</p>	<p>To promote economic development in areas of Quebec where low incomes and slow economic growth are prevalent or job opportunities inadequate; to emphasize long-term economic development and creation of sustainable jobs and income; to focus on small and medium-sized enterprises (SMEs) and the development and enhancement of entrepreneurship.</p>	<p>Any individual or corporation in the category of private or public partners submitting projects intended to attain program objectives is eligible.</p> <p>Private partners include private research centres, business groups, industrial associations and non-profit organizations with an economic role and small enterprises and other persons contributing to federal policy and action strategy initiatives.</p> <p>Public partners include public organizations under a government policy and/or federal action strategy.</p>	<p><u>Development of the Technological Capability of Regions</u> Increase technology so SMEs use more appropriate technology; contribute to projects or initiatives that support federal priorities; impact on the development, competitiveness and reach of Quebec economic sectors, communities or regions; and help innovative communities.</p> <p><u>Tourism Development</u> Enhance the potential for attracting international tourists by improving supply and ability of regions to attract tourists; extend tourist season; and develop innovative products.</p> <p><u>Support Drawing Power and Int'l Reach of Regions</u> Encourage projects involving int'l partners in sectors characteristic of regions. <u>Support for Adjustment Capabilities of the Regions</u> Support adjustment of regions to globalization.</p>	<p>Technology transfer centres; research centres (i.e., science or technology); business incubators or technology parks; transregional infrastructure for establishment of the information highway in remote regions; and support universities and research organization proposals under the Canada Foundation for Innovation.</p> <p>Innovative tourism products characteristic of strengths of the regions; strategic regional tourism infrastructure; major tourism festivals and events; and commercial accommodations in new destinations.</p> <p>Forums and events of an international nature; international promotion initiatives.</p> <p>Niche product projects; technology in rural areas; micro enterprises; projects in Aboriginal communities.</p>

Comparative Review of Economic Development Programs in the Nunavik Region

Department / Program Name	Type of Assistance	Funding Limits	Conditions of Funding	How Clients Apply
<p>Canada <u>Economic Development</u> Regional Strategic Initiatives (RSI) (cont'd)</p>	<p>Financial assistance for regional strategic initiatives may be in the form of repayable or non-repayable contributions.</p>	<p>There are no set dollar limits to the funding amounts that are available for initiatives that are approved under the RSI component of CED activities.</p>	<p>Eligible costs include all costs considered reasonable and necessary to ensure that the project is carried out. In the case of contributions, the assistance must comply with contribution repayment policies. Once projects have been approved, the Minister sends a Letter of Offer to the project proponent. The amount of the contribution, the project schedule, and the various conditions that are attached to the contribution are set out in the Letter of Offer. Payment of contributions is conditional upon clients submitting a documented claim satisfactory to the Minister.</p>	<p>There are currently no application forms, but Canada Economic Development is working on an on-line version of an application form that should soon be available on the CED web site. Clients submit their project funding requests by way of correspondence, which incorporates or attaches the project proposal and the amount of funding requested. Officials at CED analyse the project proposal to determine if it is admissible. If additional information is necessary, the client is contacted to this effect. Once approved, the Letter of Offer is sent to the client along with a "payment kit" to assist the client in making a proper claim.</p>

Comparative Review of Economic Development Programs in the Nunavik Region

Department / Program Name	Program Delivery (Outside Nunavik Region)	Location of Services (Outside Nunavik Region)	Program Delivery (Within Nunavik Region)	Location of Services (Within Nunavik Region)
<p>Canada Economic Development Regional Strategic Initiatives (RSI) (cont'd)</p>	<p>There are fourteen regions within Quebec that are served by CED as an Agency of the Government of Canada. The "Nord-du-Québec" region covers the Inuit, James Bay Cree, and Jamesbasian communities of northern Quebec. The regional business network for the "Nord-du-Québec" region includes the CFDCs, regional development councils and local development societies in the region. CED, as a government Agency, does not have any staff or offices in any of the communities located in the Nunavik portion of the "Nord-du-Québec" region.</p>	<p>The services that are provided to the "Nord-du-Québec" region by CED are provided by officials that are located in the Agency's headquarters, which are located in the Tour de la Bourse, 800 Square Victoria, Suite 3800, in Montreal.</p> <p>The "Nord-du-Québec" region has a Director who is responsible for the delivery of services in the region and a staff of three or four people who assist the Director.</p>	<p>CED does not directly deliver any of its programs within the Nunavik region.</p>	<p>None.</p>

Comparative Review of Economic Development Programs in the Nunavik Region

Department / Program Name	Program Objectives	Eligible Clients	Program Priorities	Eligible Activities/Costs
<p>Canada Economic Development Community Futures Program (CFP)</p>	<p>To promote economic development in areas of Quebec where low incomes and slow economic growth are prevalent or job opportunities inadequate; to emphasize long-term economic development and creation of sustainable jobs and income; to focus on small and medium-sized enterprises (SMEs) and the development and enhancement of entrepreneurship.</p>	<p>CED's partners in the delivery of the Community Futures Program, in Quebec, are the 54 Community Futures Development Corporations (CFDCs) located in designated rural areas, the nine Business Development Centres (BDCs) located in near-urban areas, and the 16 Community Economic Development Corporations (CEDCs) located in disadvantaged urban neighbourhoods.</p>	<p><u>Business Services</u> CED provides funding to CFDCs, CEDCs and BDCs to enable them to provide small business and local entrepreneurs with technical advice and support services and respond to the capital needs of these entrepreneurs through their investment funds. Strategic Planning CFDCs and CEDCs prepare and implement strategic plans to direct local economic development. CED-CFDC Youth Strategy This strategy is intended to halt the migration of young people to large urban areas by helping local young entrepreneurs develop their business projects in their own communities. This strategy is aimed at entrepreneurs 18 to 35 years of age in communities served by a CFDC.</p>	<p>The investment funds enable the partner organizations to provide loans, loan guarantees and equity investment to businesses to foster the startup, expansion and stabilization of the enterprises. Advice provided relates to business plans, financial mgmt, inventory control, marketing, personnel, technology, etc. Activities relate to preparation and implementation of the strategic plan. Investment Fund for young entrepreneurs with loans from \$5,000 to \$15,000 with flexible repayment conditions and customized support services. One youth advisor provided per CFDC, plus a provincial coordinator for CFDC network. Each youth advisor prepares a strategic plan for area served.</p>

Comparative Review of Economic Development Programs in the Nunavik Region

Department / Program Name	Type of Assistance	Funding Limits	Conditions of Funding	How Clients Apply
<p>Canada Economic Development Community Futures Program (CFP) (cont'd)</p>	<p>The amount of financial assistance that is available to CFDCs is \$255,000 per year (\$230K plus \$25K for travel), for a five-year reporting period, to cover operational costs plus \$5,000 per year for translating documents to the other official language, along with possible funding for a youth advisor and some additional contributions which might be possible for "special conditions" encountered by the CFDC.</p> <p>As well, capital contributions are available to bring CFDC loan funds to \$1.55 million.</p> <p>There are also provisions for a possible limited contribution for "capitalization costs" whereby the CFDC might receive a subsidy for borrowing loan capital from a senior financial institution.</p>	<p>As noted, there are specific limits on the amount of the financial contribution that is available each year to meet the operational needs of the CFDC as well as on the amount of capitalization that can be received by a CFDC from CED with respect to the creation of investment loan funds that are administered by the CFDC.</p>	<p>CFDCs receive advance payments on the first quarter then monthly advances after that with final payments at year-end based on audited statements. Other conditions include the following:</p> <ul style="list-style-type: none"> - Maximum loan limits must be approved by CED - Compendium of policies and directives submitted - Must submit certified statements of actual eligible operating costs, on a rolling quarterly basis, with updated cash flow forecasts - Budget must be submitted - Action plan for each year - Annual reports within 90 days of year end for CFDCs - Notice of Board meetings - Must notify CED or get approval from CED for changes to Letters Patent, staff and investment fund operational policies, etc. 	<p>In order to receive funding as a CFDC from CED, the partner organization must write a letter to the Agency requesting the funding and provide the following:</p> <ul style="list-style-type: none"> - Objects and Letters Patent for the CFDC - A copy of the CFDC's current policy and procedures manual - An estimated Budget - A forecast of estimated cash flow requirements, and - An Action Plan for the first fiscal year of operation of the CFDC.

Comparative Review of Economic Development Programs in the Nunavik Region

Department / Program Name	Program Delivery (Outside Nunavik Region)	Location of Services (Outside Nunavik Region)	Program Delivery (Within Nunavik Region)	Location of Services (Within Nunavik Region)
<p>Canada Economic Development</p> <p>Community Futures Program (CFP)</p> <p>(cont'd)</p>	<p>There are fourteen regions within Quebec that are served by CED as an Agency of the Government of Canada. The "Nord-du-Québec" region covers the Inuit, James Bay Cree, and Jamesbasian communities of northern Quebec. The regional business network for the "Nord-du-Québec" region includes the CFDCs, regional development councils and local development societies in the region. CED, as a government Agency, does not have any staff or offices in any of the communities located in the Nunavik portion of the "Nord-du-Québec" region.</p>	<p>The services provided to the "Nord-du-Québec" region are provided by officials located in the Agency's headquarters located in the Tour de la Bourse, 800 Square Victoria, Suite 3800, in Montreal.</p> <p>The "Nord-du-Québec" region has a Director responsible for the delivery of services in the region along with a staff of three or four people. Day-to-day contact with the Nunavik Investment Corporation, as a CFDC, would be by officials in this directorate.</p> <p>As well, the Local Entrepreneurship directorate sets overall Agency policy related to the CFDCs and supports an umbrella organization for CFDCs in Quebec, located in Quebec City, which provides services to its members.</p>	<p>The Community Futures Program is delivered in Nunavik through the support that is provided to the Nunavik Investment Corporation (CFDC).</p> <p>The Nunavik Investment Corporation (CFDC) provides business advisory services to entrepreneurs in the Nunavik region, as a CFDC, and has established a separate investment fund, which is known as the "Employment and Immigration Canada (EIC) Investment Fund", that provides business loans to entrepreneurs in the fourteen communities in the Nunavik region.</p>	<p>The Nunavik Investment Corporation (CFDC) has its headquarters in Kuujuaq. At present there is only one person that works for the Corporation, the General Manager, and he is therefore responsible for providing all of the business advisory services to entrepreneurs in the region and for handling and monitoring all business loan activity.</p> <p>The Nunavik Investment Corporation (CFDC) has requested annual operational funding from CED to support its activities. This funding would allow for the hiring of additional staff, which will allow the Corporation to provide a greater level of service to entrepreneurs in the various communities in the Nunavik region.</p>

Comparative Review of Economic Development Programs in the Nunavik Region

Department / Program Name	Program Objectives	Eligible Clients	Program Priorities	Eligible Activities/Costs
<p>Indian and Northern Affairs Canada</p> <p>Community Economic Development Program (CEDO Program)</p>	<p>The Government of Canada has increased its support for Aboriginal economic development in recognition of growing opportunities and the strong initiative being shown by First Nations and Inuit across Canada.</p> <p>The Community Economic Development Program provides long-term employment and business development opportunities to First Nations and Inuit by helping them manage skill development programs, economic institutions and business enterprises. This is achieved through partnerships among Aboriginal people, and with various levels of government and the private sector.</p>	<p>The Community Economic Development Program provides funding to 505 Community Economic Development Organizations (CEDOs) across Canada. Tribal Councils, First Nations and Inuit communities are eligible to receive funding under the program.</p> <p>The Kativik Regional Government, acting through the Research and Economic Development Department, has been designated as the CEDO organization for the Nunavik region. However, under the terms of the JBNQA Implementation Agreement (1990) a share of the CEDO funding for Nunavik is also provided to Ilivik Inc. for the provision of employment and training services.</p>	<p>Community Economic Development Organizations can use their share of program funding to:</p> <ul style="list-style-type: none"> - Develop community economic plans - Provide advisory services - Plan business or resource development projects - Contribute, or provide repayable contributions or loans to community members for training, business or resource development projects - Hold equity positions in private or community enterprises - Provide job related training and employment programs, and - Manage financial and technical services. 	<p>CEDO Program funding can be used to undertake a wide variety of economic development activities.</p> <p>However, the available funds must cover the operational requirements of hiring staff for administering the program and providing community advisory services, for example, as well as well as provide for any contributions that are made for community economic development projects or for business loans in support of entrepreneurial activity at the community level.</p>

Comparative Review of Economic Development Programs in the Nunavik Region

Department / Program Name	Type of Assistance	Funding Limits	Conditions of Funding	How Clients Apply
<p><u>Indian and Northern Affairs Canada</u></p> <p>Community Economic Development Program (CEDO Program)</p> <p>(cont'd)</p>	<p>The Community Economic Development Program has been fully devolved to First Nations and Inuit communities by way of contribution agreements that have been signed with these organizations.</p> <p>It is therefore up to the individual CEDOs to determine the type of assistance that is available to community groups, businesses or individuals under this program.</p>	<p>The budget for the Community Economic Development Program is set on a national level for the funding of all CEDOs in Canada. This budget is further allocated to the various INAC regional offices and then to the individual CEDOs under a modified per capita formula.</p>	<p>As a departmental funding requirement, all CEDOs are required to submit an annual economic development report that outlines the results of the funding allocations.</p>	<p>Individual clients, who can include community groups, individuals, businesses, etc. must apply to the CEDO in their area for assistance under this program.</p> <p>Application forms and other procedures to be followed by clients are the responsibility of the individual CEDOs.</p>

Comparative Review of Economic Development Programs in the Nunavik Region

Department / Program Name	Program Delivery (Outside Nunavik Region)	Location of Services (Outside Nunavik Region)	Program Delivery (Within Nunavik Region)	Location of Services (Within Nunavik Region)
<p>Indian and Northern Affairs Canada</p> <p>Community Economic Development Program (CEDO Program)</p> <p>(cont'd)</p>	<p>The Community Economic Development Program is administered, in Quebec, by officials who are located in INAC's Regional Office in Quebec City. INAC does not have any staff or offices in any of the fourteen communities in the Nunavik region.</p> <p>The primary contact for the CEDO Program within the INAC Regional Office is the Economic Development Advisor within the Policy and Intergovernmental Relations Division.</p>	<p>The INAC Regional Office is located in the Complexe Jacques-Cartier, 320 rue St-Joseph Est, in Quebec City.</p>	<p>The Research and Economic Development Department of the Kativik Regional Government provides CEDO services to the fourteen communities in the Nunavik region.</p>	<p>The Research and Economic Development Department of the Kativik Regional Government is headquartered in Kuujuaq.</p> <p>The department has a Department Head and an Office Technician in Kuujuaq and a total of three community economic development officers that provide services to the fourteen communities of Nunavik. The three CEDO officers are based respectively in the communities of Kuujuaq, Salluit and Inukjuak.</p>

Comparative Review of Economic Development Programs in the Nunavik Region

Department / Program Name	Type of Assistance	Funding Limits	Conditions of Funding	How Clients Apply
<p>Indian and Northern Affairs Canada</p> <p>Opportunity Fund Program</p> <p>(cont'd)</p>	<p>The assistance provided to such business activities is in the form of non-repayable contributions.</p>	<p>All projects funded under the Opportunity Fund Program are subject to the following limits:</p> <ul style="list-style-type: none"> - INAC's contribution cannot exceed \$500,000 and will not exceed the amount contributed by the First Nation or Inuit applicant - INAC's equity contribution cannot exceed 25% of the project's capital and operating costs - The total of all federal contributions cannot exceed 40% of the project's capital and operating costs - 10% of the contribution of applicant must be in cash - The applicant must demonstrate that INAC funding is essential if the project is to move forward, and INAC's contribution will not exceed the amount required to complete the financing package. 	<p>To qualify, projects must establish or expand a viable business and thereby create sustainable jobs, enhance community wealth and reduce social dependency.</p> <p>Projects must also:</p> <ul style="list-style-type: none"> - Complete an environmental assessment and identify all necessary <i>Canadian Environmental Assessment Act</i> mitigation measures and applicable acts - Look after the required permits, licences and leases - Make sure there are no conflicting specific claims negotiations within the area of operations, and - Complete a market analysis to confirm a competitive environment exists, and that the project will not dislocate existing businesses. 	<p>Applicants apply through their respective CEDOs.</p> <p>In order to apply for funding applicants must:</p> <ul style="list-style-type: none"> - Submit an acceptable business plan - Substantiate an opportunity to establish a viable business and demonstrate the need for this matching equity funding to complete their financing, and - Demonstrate the knowledge and experience needed to manage or participate in the proposed business venture. <p>The CEDO forwarding the application must also have the organizational capacity, a proven record in business development, and a record of regular and acceptable reporting. As well, applicants are encouraged to seek other sources of federal funding.</p>

Comparative Review of Economic Development Programs in the Nunavik Region

Department / Program Name	Program Delivery (Outside Nunavik Region)	Location of Services (Outside Nunavik Region)	Program Delivery (Within Nunavik Region)	Location of Services (Within Nunavik Region)
<p><u>Indian and Northern Affairs Canada</u></p> <p>Opportunity Fund Program (cont'd)</p>	<p>The Opportunity Fund Program is administered, in Quebec, by officials located in INAC's Regional Office in Quebec City. INAC does not have any staff or offices in any of the communities in Nunavik. The primary contact in the Regional Office is the Economic Development Advisor within the Policy and Intergovernmental Relations Division.</p> <p>Eligible project proposals are assessed by an independent third party using standard business case criteria. The Regional Office's Project Review Committee (PRC) then reviews the due diligence assessment and related documentation. Once this is done, the PRC recommends financial support, if any, for the project to INAC, which makes the final decision.</p>	<p>The INAC Regional Office is located in the Complexe Jacques-Cartier, 320 rue St-Joseph Est, in Quebec City.</p>	<p>Under the Opportunity Fund Program, eligible First Nations and Inuit businesses receive the funding for business projects through their respective Community Economic Development Organizations.</p> <p>In the case of the Nunavik region, the applicable CEDO is the Research and Economic Development Department of the Kativik Regional Govt.</p> <p>CEDOs, together with project applicants, must submit a report outlining the status of the funded project. The report must indicate progress in the areas of employment creation, skills enhancement and economic sustainability. The report is to be submitted one year after the CEDO has received project funding.</p>	<p>The Research and Economic Development Department of the Kativik Regional Government is headquartered in Kuujuaq.</p> <p>The department has a Department Head and an Office Technician in Kuujuaq and a total of three community economic development officers that provide services to the fourteen communities of Nunavik. The three CEDO officers are based respectively in the communities of Kuujuaq, Salluit and Inukjuak.</p>

Comparative Review of Economic Development Programs in the Nunavik Region

Department / Program Name	Program Objectives	Eligible Clients	Program Priorities	Eligible Activities/Costs
<p><u>Indian and Northern Affairs Canada</u></p> <p>Regional Partnerships Fund</p>	<p>The Government of Canada has increased its support for Aboriginal economic development in recognition of growing opportunities and the strong initiative being shown by First Nations and Inuit across Canada.</p> <p>The Regional Partnerships Fund promotes First Nations and Inuit participation in, and expanded economic benefits from, major regional development initiatives, in such areas as infrastructure projects and initiatives in tourism and resource development.</p>	<p>First Nations and Inuit governments, organizations, and community-owned and controlled enterprises are eligible to apply.</p>	<p>The INAC regional offices identify potential projects.</p> <p>Major regional economic development partnerships where the expected economic benefits contribute to the long-term growth and sustainability of First Nations and Inuit communities, and commercial enterprises qualify.</p>	<p>The initiative must deliver economic development benefits, such as employment, contracting opportunities and economic infrastructure, which are regional in application. The range of benefits to be considered includes:</p> <ul style="list-style-type: none"> - Business development - Short-term, sustainable employment - Community and regional economic infrastructure development - Transferable workforce skills development and workforce experience; and, - Community revenues (e.g., taxation, negotiated royalties, taxes).

Comparative Review of Economic Development Programs in the Nunavik Region

Department / Program Name	Type of Assistance	Funding Limits	Conditions of Funding	How Clients Apply
<p><u>Indian and Northern Affairs Canada</u> Regional Partnerships Fund (cont'd)</p>	<p>The assistance provided to such regional initiatives is in the form of non-repayable contributions.</p>	<p>INAC funding will be determined on a case-by-case basis and will not exceed 66% of total project value. Funding may vary depending on project circumstances, expected benefits and the findings of the financial analysis of the costs and benefits of the project.</p>	<p>Partnerships must include non-federal participants, including aboriginal, provincial/territorial and municipal governments, but with a preference for private sector participation. An agreement should already exist, or be in development, to manage project priorities and funding arrangements with the project partners.</p>	<p>INAC regional offices review proposals to make sure the information is complete and accurate, undertake a financial analysis of the costs and benefits of the project, confirm the contributions by the various parties and liaise with the applicant. Decisions regarding the level of financial support, if any, are made by INAC.</p>

Comparative Review of Economic Development Programs in the Nunavik Region

Department / Program Name	Program Delivery (Outside Nunavik Region)	Location of Services (Outside Nunavik Region)	Program Delivery (Within Nunavik Region)	Location of Services (Within Nunavik Region)
<p><u>Indian and Northern Affairs Canada</u></p> <p>Regional Partnerships Fund (cont'd)</p>	<p>The Regional Partnerships Fund is administered, in Quebec, by officials located in INAC's Regional Office in Quebec City.</p> <p>INAC does not have any staff or offices in any of the communities in Nunavik. The primary contact in the Regional Office is the Economic Development Advisor within the Policy and Intergovernmental Relations Division.</p>	<p>The INAC Regional Office is located in the Complexe Jacques-Cartier, 320 rue St-Joseph Est, in Quebec City.</p>	<p>INAC does not directly deliver the Regional Partnerships Fund within the Nunavik region.</p>	<p>INAC does not directly deliver the Regional Partnerships Fund within the Nunavik region.</p>

Comparative Review of Economic Development Programs in the Nunavik Region

Department / Program Name	Program Objectives	Eligible Clients	Program Priorities	Eligible Activities/Costs
<p>Industry Canada / <u>Aboriginal Business Canada</u></p> <p>Strategic Business Investments</p>	<p>Aboriginal Business Canada provides business services and support to Canadian Aboriginal people. The program helps client firms grow and become stronger in order to ensure long-term prospects for their role in the economy, and as generators of jobs. I</p>	<p>Eligible clients include Canadian status and non-status Indians, Inuit, and Métis individuals, associations, partnerships or other legal entities, on or off reserve. In general, majority Aboriginal ownership is required. Exceptions may be made for joint ventures.</p> <p>Clients must also have a minimum of 15% cash equity (10% for youth entrepreneurs) in the eligible costs of the proposed venture, which may increase depending on the financial capacity of the applicant to bear more of the costs. Of this amount, 5% must be in the personal cash.</p> <p>To be eligible as "youth entrepreneurs" clients must be between 18 and 29 years. In a partnership, the youth entrepreneur must be the majority owner.</p>	<p>ABC's strategic business investments are primarily targeted at small businesses with an emphasis on supporting proposals involving the expansion of domestic and export markets, tourism, technology adoption and enhancement, and youth entrepreneurship.</p>	<p>Eligible costs include:</p> <ul style="list-style-type: none"> - Increasing technology use in a business through acquisition of equipment, or as a way to improve competitiveness - Marketing activities designed to expand sales inside Canada and internationally - Business support, such as management and technical training, or hiring accounting or other professional advisors after starting a business - Developing business plans and undertaking feasibility studies - Establishing new businesses or joint ventures benefit more than one firm and improve the overall climate or knowledge base for Aboriginal business.

Comparative Review of Economic Development Programs in the Nunavik Region

Department / Program Name	Type of Assistance	Funding Limits	Conditions of Funding	How Clients Apply
<p>Industry Canada / <u>Aboriginal Business Canada</u></p> <p>Strategic Business Investments</p> <p>(cont'd)</p>	<p>The assistance provided to such business activities is in the form of non-repayable contributions.</p> <p>Loan insurance is also available to supplement or replace direct contributions.</p>	<p>The maximum allowable contribution to individuals, or privately-owned businesses is \$75,000.</p> <p>Contributions to community-owned businesses may exceed this amount where it can be demonstrated that there are strategic benefits resulting from the project, which exceed normal commercial benefits.</p>	<p>Applicants must have a minimum of 15% cash equity (10% for youth entrepreneurs) in the eligible costs of the proposed venture, which may increase depending on the financial capacity of the applicant to bear more of the costs. Of this amount, 5% must be in the personal cash of the applicant.</p> <p>Applicants must be actively involved in running the business and the business must demonstrate that it can support an appropriate salary.</p>	<p>Applicants are encouraged to call the Aboriginal Business Canada or External Delivery Organization (EXDO) office nearest to them and ask to speak with a development officer who will then provide further information to them about the program and discuss the applicant's proposed business plans. If the idea appears to fit the program criteria, the development officer will then provide the applicant with a "Statement of Intent" form. Submission of this form begins the application process.</p> <p>Each proposal is assessed on its own commercial viability and merits, with the decision about ABC's investment in the project taking into account the overall financial package that has been assembled by the client.</p>

Comparative Review of Economic Development Programs in the Nunavik Region

Department / Program Name	Program Delivery (Outside Nunavik Region)	Location of Services (Outside Nunavik Region)	Program Delivery (Within Nunavik Region)	Location of Services (Within Nunavik Region)
<p><u>Industry Canada / Aboriginal Business Canada</u></p> <p>Strategic Business Investments</p> <p>(cont'd)</p>	<p>ABC's strategic business investment activities are administered, in Quebec and Nunavut, by officials located in ABC's office located in Montreal.</p> <p>Industry Canada/ABC currently does not have any staff or offices (or support any External Delivery Organization offices) located in any of the fourteen communities in Nunavik.</p> <p>The primary contacts in the ABC office in Montreal are the Manager and the Project Development Officer that has been assigned to the Nunavik region. ABC officials can assist clients in accessing other resources and contacts and have a wide range of information resources, including business planning guides and business development tools.</p>	<p>The ABC office in Montreal is located in Suite 700, 5 Place Ville Marie.</p>	<p>ABC does not directly deliver any of its programs within the Nunavik region.</p> <p>However, it has been indicated that the ABC office in Montreal would be prepared to consider assisting either the Kativik Regional Government or the Nunavik Investment Corporation (CFDC) in developing a proposal for establishing an External Delivery Organization (EXDO) relationship with ABC to assist them in processing project proposals from the Nunavik region and, if approved, to thereafter provide operational funding for such an EXDO arrangement to be located in the Nunavik region.</p>	<p>ABC does not currently provide services in the Nunavik region. If an EXDO position were to be developed, the position would likely be based in Kuujuaq.</p>

Comparative Review of Economic Development Programs in the Nunavik Region

Department / Program Name	Program Objectives	Eligible Clients	Program Priorities	Eligible Activities/Costs
<p><u>Industry Canada / Aboriginal Business Canada</u></p> <p>Strengthening Aboriginal Financial and Business Development Organizations</p>	<p>ABC works through partnerships, external delivery arrangements, and advocacy initiatives to build the capacity of Aboriginal financial and business support organizations.</p> <p>Over the years, Industry Canada has supported the establishment of Aboriginal owned and controlled business lending organizations called Aboriginal Capital Corporations (ACCs) of which there are now 33 such organizations in throughout Canada. The goal of the ACCs is to access business resources and increasingly lever capital from commercial sources, then continue to see it invested and re-invested in Aboriginal communities.</p> <p>EXDO partnerships build the capacity of Aboriginal business support organizations.</p>	<p>Eligible clients include Canadian status and non-status Indian, Inuit, and Métis associations, business support organizations or other legal entities, on or off reserve.</p> <p>The 33 Aboriginal Capital Corporations could also be considered as clients of this aspect of ABCs activities.</p>	<p>ABC works with ACCs, EXDOs and other organizations in order to strengthen ACC performance and improve networking opportunities. The goal is for ACCs to access business resources and increasingly lever capital from commercial sources, then continue to see it invested and re-invested in Aboriginal communities.</p> <p>Other ways of improving access to business financing and entrepreneurship support, will continue to be encouraged in order to support the long-term needs of Aboriginal firms. The program also promotes Aboriginal business achievement and advocates the interests of Aboriginal entrepreneurs to the non-Aboriginal business community in order to improve linkages and networking.</p>	<p>This program supports the activities of Aboriginal Capital Corporations throughout Canada along with other Aboriginal financial and business development organizations.</p> <p>Key activities for ABC and EXDO Development Officers include encouraging and facilitating the realization of client proposals which fall within ABC's strategic priority areas (i.e., innovation, youth entrepreneurship, market expansion, etc.), assessing submissions that have been made to ABC for financial support, and recommending appropriate contributions, loan insurance and networking referrals. Development Officers also engage in a wide variety of outreach and advocacy activities supporting Aboriginal business development.</p>

Comparative Review of Economic Development Programs in the Nunavik Region

Department / Program Name	Type of Assistance	Funding Limits	Conditions of Funding	How Clients Apply
<p>Industry Canada / Aboriginal Business Canada</p> <p>Strengthening Aboriginal Financial and Business Development Organizations</p> <p>(cont'd)</p>	<p>In the past, ACCs received non-repayable capital contributions to establish developmental loan funds in support of Aboriginal business development. As well, usually for a five-year period, ACCs also received non-repayable operational subsidies. After this initial start-up phase, the ACCs were expected to become self-sustaining developmental lending institutions. The Nunavik Investment Corporation (CFDC) received \$2.7M in this way for its "NEDP Loan Fund" and operating subsidies from 1989-92.</p> <p>ABC also funds the placement of Development Officers in External Delivery Organizations (EXDOs) of various types such as ACCs or other Aboriginal business development bodies. This support is provided by way of non-repayable contributions.</p>	<p>ABC does not currently provide either additional capital contributions to ACCs or on-going operational subsidies as the ACCs are now all expected to be self-sustaining developmental lending institutions. The Nunavik Investment Corporation (CFDC) currently does not receive any support from ABC for its business lending operations.</p> <p>The National Aboriginal Capital Corporation (NACCA) is a voluntary network of Aboriginal-controlled lending institutions with about 40 members across Canada. The Association provides products, services, training, and limited means of access to additional capital for its members.</p> <p>EXDO funding reimburses the ACC or other body for the actual costs of the position(s).</p>	<p>Funding provided by ABC to Aboriginal financial and business development organizations under this program would be subject to the legal, financial and reporting provisions of any contribution agreement that was signed with the client.</p>	<p>In order to access funding under this program, such as for the placement of a Developmental Officer under an EXDO arrangement, the Aboriginal financial or business development organization must send a letter to ABC requesting such funding along with a Business Plan setting out the need for such funding, the expected costs, and how the proposed services would be provided.</p> <p>ACCs are expected to contact NACCA themselves if they wish to become members of this association.</p>

Comparative Review of Economic Development Programs in the Nunavik Region

Department / Program Name	Program Delivery (Outside Nunavik Region)	Location of Services (Outside Nunavik Region)	Program Delivery (Within Nunavik Region)	Location of Services (Within Nunavik Region)
<p>Industry Canada / <u>Aboriginal Business Canada</u></p> <p>Strengthening Aboriginal Financial and Business Development Organizations</p> <p>(cont'd)</p>	<p>In Quebec, ABC's activities in support of Aboriginal financial and business development organizations are administered by officials located in ABC's office located in Montreal.</p> <p>Industry Canada/ABC currently does not have any staff or offices (or support any External Delivery Organization offices) located in any of the fourteen communities in Nunavik.</p> <p>The primary contacts in the ABC office in Montreal are the Manager and the Project Development Officer that has been assigned to the Nunavik region.</p>	<p>The ABC office in Montreal is located in Suite 700, 5 Place Ville Marie.</p> <p>The headquarters of the National Aboriginal Capital Corporation Association are located in Edmonton, Alberta.</p>	<p>ABC does not directly deliver any of its programs within the Nunavik region.</p> <p>However, it has been indicated that the ABC office in Montreal would be prepared to consider assisting either the Kativik Regional Government or the Nunavik Investment Corporation (CFDC) in developing a proposal for establishing an External Delivery Organization (EXDO) relationship with ABC to assist these organizations in processing project proposals and business loan applications from the Nunavik region and, if approved, to thereafter provide operational funding for such an EXDO arrangement to be located in the Nunavik region.</p>	<p>ABC does not currently provide services in the Nunavik region.</p> <p>If an EXDO position were to be developed, the position would likely be based in Kuujuuaq.</p>

**Comparative Review of Economic Development
Programs in the Nunavik Region**

Canada Economic Development

- ⇒ **Small Business IDEA Program**
- ⇒ **Regional Strategic Initiatives**
- ⇒ **Community Futures Program**

Indian and Northern Affairs Canada

- ⇒ **Community Economic Development Program**
- ⇒ **Opportunities Fund Program**
- ⇒ **Regional Partnerships Fund**

Industry Canada / Aboriginal Business Canada

- ⇒ **Strategic Business Investments**
- ⇒ **Strengthening Aboriginal Financial and
Business Development Organizations**

Regional CEDO Pilots

Objective

The main objective of the pilots is to enhance the CEDO capacity on a regional basis.

Concept

The proposed concept would have some or all of the following features:

1. Provide services in the following areas: Land use planning, business and resource project planning, job related training, business regulation, access to capital for entrepreneurs, mentoring, research and information sharing in areas relevant to entrepreneurs (suppliers, filing legal documents, taxes, etc.)
2. Be staffed by ^{stable} specialists with skills to address all business development areas identified above: community planners, accountants/bookkeepers, purchasing and retail experts, legal and notarial advisors, etc.
3. Be a mobile staff who can address particular business development need as it arises within the targeted region. Pilot should not replicate existing approach of placing a conventional CEDO in each community.
4. Recover costs for services provided.

INAC will provide funding in the range of \$200K toward the pilots in fiscal 2002-2003. Funding is guaranteed for one year with extension conditional on performance and results of CEDO review which is currently underway.

Expectations/Expected Results of Pilot in Northern Quebec

In terms of expectations from INAC, the pilot :

1. Should be innovative and open to test new solutions. It should offer services beyond what the existing CEDO program offers.
2. Should demonstrate holistic approach and be complementary to Development Economic ^{of Quebec regions} (DEQ) and Industry Canada (IC) initiatives.
3. Should utilize and develop Inuit people resources to deliver the services.
4. Should implicate all stakeholders: KRG, NIC, Makivik and FCNQ on Inuit side and IC, DEQ and INAC on Federal Government side.

In terms of expected results:

1. Critical mass to provide efficient services may be realized when all fragmented per capita budgets are combined.
2. Services will cover all Inuit communities in Northern Quebec.
3. The increase in CEDO capacity will in turn lead to increased demand for NIC and other Inuit controlled development lending services.

Process/ Next Steps

1. Seek feedback on the proposed concept pilot and what is needed in terms of CEDO function (programming, delivery, roles of Inuit and Federal stakeholders , etc.)
2. Co- develop a proposal for the pilot.
3. Seek Ministerial (INAC) approval .
4. Implement pilot as soon as possible in this fiscal year .
5. Review results after one year.

NORTHERN QUÉBEC ECONOMIC DEVELOPMENT STRATEGY

Northern Québec

ANALYSE DU DÉVELOPPEMENT ÉCONOMIQUE
ET DES TENDANCES

*A strategy that meets the region's needs, uses local job
opportunities and takes regional identity into account.*

*Billie Gerin
Minister of State for Regional Affairs
Minister of Industry and Trade*

Québec 

\$101 Million for Economic

This economic development strategy is made up of three major components that encompass a number of fiscal and budgetary measures. These measures represent a total investment of \$101 million in the region over the next three years.

FISCAL COMPONENT – A \$39 MILLION INVESTMENT

Principal measures:

- ▶ **Tax holiday for small and medium-sized manufacturing businesses**
Tax holiday of up to 10 years for small manufacturing businesses in the region (income tax, capital tax, and general payroll tax)
- ▶ **Refundable tax credit for secondary and tertiary processing activities**
Equal to 40% of eligible employees' salaries; assistance is granted for up to five years (eligible activities: wood, paper, and paperboard processing, food processing, metal processing, energy production, etc.)
- ▶ **Tax credit for mineral exploration**
Expenses related to renewable energy sources and energy savings

BUDGETARY COMPONENT – A \$62 MILLION INVESTMENT

A- ADDING VALUE TO LOCAL PRODUCTION AND SPURRING DIVERSIFICATION OF THE REGIONAL ECONOMY: \$17.7 MILLION

Emergence and development of areas of specialty (\$10.5 million)

- ▶ **Innovation fund for Northern Québec** \$3 M
(research projects, strategic partnerships, etc.)
- ▶ **Support fund for development of areas of specialty** \$7.5 M
(strategic intelligence, studies and analysis, pilot projects, R&D activities, etc.)

Development of tourism supply (\$6.7 M)

- ▶ **Development program for the region's parks** \$3.1 M
(creation of four provincial parks in the region, prefeasibility analyses for other areas, etc.)
- ▶ **Specific agreement on tourism** \$2.5 M
(improving tourism supply and infrastructures)
- ▶ **Consolidation of outfitting operations** \$0.6 M
(infrastructure improvement)
- ▶ **Forêt-Faune Program** \$0.24 M
(integrated management of forestry resources)
- ▶ **Kuujuuaq multipurpose center** \$0.27 M
(contribution to the center's construction)

Development and enhancement of regional production (\$0.5 M)

- ▶ **Secondary and tertiary wood processing squad** \$0.25 M
(exploratory projects and studies and assistance to promoters)
- ▶ **Wood processing at Waswanipi** \$0.26 M
(participation in the project's second phase)

B- PROMOTING GROWTH IN THE NATURAL RESOURCE SECTOR: \$28.1 MILLION

Support for mineral exploration and mining (\$19.2 M)

- ▶ **Mineral exploration diversification fund** \$7.8 M
(earmarked for small exploration companies in the region)
- ▶ **Financial assistance for mineral exploration** \$6 M
(surface exploration, deep boring, and tunnel excavation)
- ▶ **Financial support for mining development** \$2.55 M
(implementation of a mineral reserve development program)

Economic Development in the Region

▶ Support for junior exploration companies in difficulty (renewal of the support program)	\$1.4 M
▶ James Bay region mineral exploration fund (training of new prospectors)	\$0.6 M
▶ Financial assistance for technology-related economic studies and technological innovation (support for mining company innovation)	\$0.86 M
Sustainable development of forestry resources (\$8.9 M)	
▶ Forestry resource development program (projects aimed at increasing wood production)	\$8.54 M
▶ Forest job creation program (promotion of forestry trades: maintaining existing jobs, hiring young people, and providing workforce training)	\$0.34 M
C- FACILITATING SMALL BUSINESS FINANCING BY STIMULATING AND SUPPORTING BUSINESS AND JOB CREATION: \$10.1 MILLION	
Support for entrepreneurship and rural communities (\$3.1 M)	
▶ Reinforcement of CLD capacity for action	\$1.86 M
▶ Investment fund earmarked for women entrepreneurs (improved access to financing)	\$0.76 M
▶ Innovation and competitiveness (increased budget for the innovation component of the Impact PME program)	\$0.31 M
▶ Retaining population and developing business in regional communities (increased budget for the retention and expansion component of the Impact PME program)	\$0.1 M
▶ Hiring of young graduates (increased budget and relaxed conditions for the youth hiring component of the Impact PME program)	\$0.07 M
Financial tools adapted to needs (\$7 M)	
▶ Support program for economic projects (PSPE) (support for investment projects valued between \$500,000 and \$2 M)	\$3 M
▶ Financial support for leasehold improvements on industrial buildings (access to necessary financing for project realization)	\$1.29 M
▶ Cyclical working capital assistance program for businesses (in response to the cyclical needs of certain companies)	\$1.2 M
▶ SME financing (to enable Garantie Québec to grant more loans to regional businesses)	\$0.77 M
▶ Capital régional et coopératif Desjardins	\$0.71 M
D- OTHER SUPPORT MEASURES FOR THE REGION (\$6.1 M)	
▶ Northern Québec municipal job creation fund (for municipalities and nonprofit organizations with job creation and infrastructure improvement projects)	\$3 M
▶ Assistance to organizations in Northern Québec (financial support for the Kativik and James Bay environmental advisory committees)	\$1.1 M
▶ Regional plan support measures	\$2.01 M

**A TOTAL INVESTMENT OF \$101 MILLION TO PROMOTE
ECONOMIC DEVELOPMENT IN NORTHERN QUÉBEC**

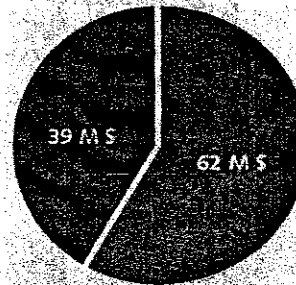
The Northern Québec Economic Development Strategy



A \$101 million investment by the government of Québec

A series of tax and budgetary measures

- promoting economic diversification in the region
- stimulating and supporting regional entrepreneurship, business startups, and job creation
- supporting the development and enhancement of regional production and tourism supply and the emergence and growth of areas of specialty

FINANCIAL IMPACT OF THE COMPONENTS OF THE NORTHERN QUÉBEC ECONOMIC DEVELOPMENT STRATEGY (in millions of dollars)



 Budgetary component
 Fiscal component

For further information

visit the Ministère des Régions Website www.mreg.gouv.qc.ca

or

call the Nord-du-Québec office of the Ministère des Régions in Chibougamau at (418) 748-7737

Note: This brochure summarizes the tax and budgetary measures contained in *Stratégie de développement économique du Nord-du-Québec*. These measures are detailed in the fascicle *Le Nord-du-Québec: un maillon essentiel de notre économie*, unveiled by Gilles Baril, Minister of State for the Regions and Minister of Industry and Trade, during a visit to the region. An electronic version of the fascicle and the brochure are available on the Ministère des Régions Website.