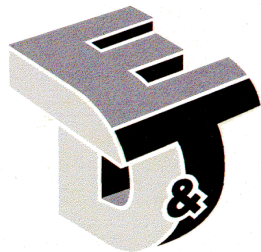


# Programs and Services

## Department of Economic Development & Tourism



***Economic Development & Tourism***  
*Stronger Together / bᠵᠠᠳᠤ ᠰᠡ᠋ᠨᠵᠡ ᠠᠵᠤ ᠶ᠋ᠡᠳᠦ ᠠᠨᠤ ᠲᠤᠷᠢᠰᠤ*

NOVEMBER, 1995

# FOREWORD

This booklet contains a summary of all the programs and services offered by the Department of Economic Development and Tourism. The following pages provide an overview of the department's mandate, structure and responsibilities, followed by a description of the programs and services offered.

The Department provides financial assistance to Northwest Territories (NWT) businesses, and also provides relevant financial information about business development, industries and the NWT economy. In addition, the Department takes a strategic approach to sectoral development based on community strengths and aspirations.

Programs and services are delivered through seven regional offices and their respective community offices. Business assistance services, provided by Economic Development Officers (EDO's), are available to all NWT communities, although an EDO may not be resident in every community.

The assistance programs and services described in this booklet include the following.

## **Programs**

- Business Development Fund
- Grants to Small Business
- Community Futures
- Organization Support
- Commercial Fishery Assistance
- Forest Industry Assistance
- Tourism Industry Organization Core Funding
- Economic Development and Tourism Bursary
- Affirmative Action Employee Development Program
- Economic Development Agreement

## **Services**

- Business Counseling and Support Service
- Business Aftercare
- Canadian Executive Service Organization (CESO)
- Tourism Program and Product Development
- Tourism Licensing
- Tourism Marketing
- Parks & Visitor Services Facilities Development
- Parks & Visitor Services Facilities Maintenance

## **Crown Corporations**

- Business Credit Corporation
- NWT Development Corporation

The material in this booklet provides an overview only. The programs and services described herein are subject to change from time to time to meet changing client needs. Where there is a discrepancy between this booklet and government policy, the policy takes precedence. For more information, contact your local Economic Development Officer or Regional Superintendent.

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**SERVICES TO**

**BUSINESS**.....

- Business Counseling and Support Service.....
- Business Aftercare.....
- Canadian Executive Service Organization (CESO)

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**OTHER DEPARTMENTAL**

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- Tourism Program and Product Development.....
- Tourism Licensing.....
- Tourism Marketing.....
- Parks & Visitors Services Facilities Development.....
- Parks & Visitors Services Facilities Maintenance.....

**CROWN**

**CORPORATIONS**.....

- Business Credit Corporation.....
- NWT Development Corporation.....

**Mandate**

**&**

**Responsibilities**

## **Mandate and Responsibilities**

### **Mandate**

The mandate of the Department of Economic Development and Tourism is to promote and assist in the establishment and expansion of business enterprises which create employment and other benefits for Northerners. The Minister is accountable for fulfilling this mandate by undertaking the responsibilities listed below.

### **Ministerial Responsibilities**

The Minister of Economic Development and Tourism is responsible for:

- (a) Promoting public awareness of:
  - (i) economic development opportunities and constraints, and
  - (ii) the importance of private sector participation in economic development;
- (b) Facilitating the provision of business management assistance to new and existing businesses;
- (c) Providing financial assistance for the establishment, expansion and modernization of eligible businesses;
- (d) Identifying and maximizing northern benefits through promotion of investment, business development, and trade opportunities;
- (e) Promoting, developing and diversifying the NWT economy through economic research in support of business development, and developing regional and sectoral plans, in consultation with the private and public sectors;
- (f) Providing effective analysis of national and international developments and their effect on the territorial economy;
- (g) Providing information and advice on economic and business matters to the Executive Council;
- (h) Negotiating, implementing and managing Economic Development Agreements with other jurisdictions and organizations;
- (i) Planning, developing, and operating Territorial Parks; and
- (j) Promoting and developing Northern business opportunities stemming from sustainable arts and crafts, tourism, and renewable and non-renewable resource development.

# **Departmental**

# **Overview**

## Department Overview

### Departmental Structure

To carry out its mandate and achieve the goals of the Department, Economic Development and Tourism provides financial assistance and managerial and technical expertise to new and existing NWT businesses. It also monitors the territorial economy, and identifies new opportunities and constraints to development, and develops sectoral and regional plans to guide development.

The organizational structure of the Department consists of an elected Minister, a Directorate, and six divisions with regional and headquarters staff.

Managerial direction is provided by the **Directorate** which is composed of the Deputy Minister, two Assistant Deputy Ministers, seven Regional Superintendents, a Communications Special Advisor and support staff. The Directorate provides policy and management direction in the development and implementation of departmental programs that foster economic growth throughout the NWT.

The divisions consist of Policy, Planning and Human Resources, Finance and Administration, Corporate and Technical Services, Parks and Visitor Services, and Tourism and Marketing Development. A sixth division, to support the Canada/NWT Economic Development Agreement, will cease to exist after the term of the Agreement.

Development, implementation and evaluation of departmental policies and programs are the responsibility of the **Policy, Planning and Human Resources Division**. It undertakes economic planning initiatives as it strives to improve program delivery and the effectiveness of regional and sectoral planning. It also has a role in maintaining good public relations and providing human resource planning and electronic data processing support to the Department.

Effective and efficient financial, administrative and budgetary program delivery is facilitated by the **Finance and Administration Division**. It provides financial and budgetary advice and guidance to program managers in regions and headquarters. This division coordinates and monitors the budgetary process.

The **Corporate and Technical Services Division** provides financial and management support to new and existing businesses and assists in identifying viable business opportunities in support of large and small scale development. This division targets small business, natural resource and arts and crafts development as its primary focus.

The **Parks and Visitor Services Division** provides a necessary service to travelers, through the planning, development and maintenance of parks and facilities that serve as tourism destinations and attractions. It also provides business and employment benefits and related training opportunities that are compatible with the needs and abilities of NWT residents.

The **Tourism and Marketing Development Division** promotes tourism through the development, monitoring and evaluation of tourism products and services, thereby enhancing local employment opportunities in that sector. The division also promotes the NWT as a tourism and business destination both nationally and internationally, while striving for a high level of service through the licensing and regulation of the industry.

The **Economic Development Agreement Division** facilitates and coordinates federal and territorial activities in support of Economic Development Agreement (EDA) initiatives. This division monitors EDA activities and expenditures, develops communication strategies to increase public awareness of the program and provides support to EDA committees.



**Regional Delivery and Headquarters Coordination**

Regions are primarily responsible for program delivery and planning in their regions, while headquarters, which is located in Yellowknife, coordinates departmental activities and carries out administrative functions. Regional and community offices are the main contacts for clients. Headquarters takes the lead in policy and program development and sectoral planning with input from the regions. It also provides technical support to regions for regional planning.

Regional offices are located in Iqaluit, Rankin Inlet, Cambridge Bay, Inuvik, Fort Smith, Fort Simpson and Yellowknife. Each regional office is headed by a Regional Superintendent. The three Nunavut Superintendents report to the Assistant Deputy Minister for the Nunavut Region located in Iqaluit; the four western Superintendents report to the Assistant Deputy Minister in Yellowknife.

Area Offices are located in most communities in the Northwest Territories. They are staffed by Area Economic Development Officers (EDO's) who assist in business development at the community level. Six EDO positions report to communities or a related agency through the Community Transfers Initiative. EDO's promote the establishment of new businesses and assist in the expansion and development of existing businesses. They provide advice and deliver information on available programs and services and assist in the completion of loan applications. EDO's play an important, interactive role as a liaison officer between local businesses and regional offices.

**Businesses or organizations seeking assistance for programs or services administered by the Department should apply through the local Area or Regional Economic Development and Tourism office.**

**Financial  
Assistance  
Programs**

## Business Development Fund

### Purpose

The Business Development Fund (BDF) is a contribution fund aimed at stimulating employment and economic development throughout the NWT.

### Authority

Business Development Fund Policy, 61.01

### Levels of Service

The BDF is composed of six programs which are designed to assist businesses during all phases of the business cycle. Assistance is provided for research and planning, business start-up and expansion, market and product development, training, and emergency relief to assist businesses in financial difficulty. The levels of assistance and minimum equity requirements vary depending on the level of economic development in a community. For the purpose of implementing this program communities have been grouped in categories of economic circumstance, based on such factors as employment, remoteness and market size. Communities groupings are as follows.

<u>Group 1 Communities</u>		<u>Group 2 Communities</u>		<u>Group 3 Communities</u>
Yellowknife	Inuvik	Iqaluit	Norman Wells	All remaining Communities
	Fort Smith	Rankin Inlet	Rae-Edzo	
Hay River		Cambridge Bay	Fort Simpson	

In order to be eligible a business must provide some equity. Equity may be in the form of money, land or any unencumbered asset contributed to the venture by the owner or shareholders. "Sweat" or labour equity may be considered under certain circumstances. Minimum equity requirements are as follows.

<b>Group 1</b> communities	20% of project costs
<b>Group 2</b> communities	10% of project costs
<b>Group 3</b> communities	5% of project costs

Contributions will not be provided if the applicant can secure a reasonable rate of return on the investment without assistance, neither will contributions be provided if market disruption will occur. With the exceptions of the preceding conditions, all NWT businesses are eligible to apply for Business Development Fund assistance.

The BDF is a contribution fund of last resort. As such, funding will not be provided where other funds are available for the same purpose. Applicants may be asked to provide proof of refusal if they were declined funding from other agencies. Alternately, the BDF may be used to complement other funding programs. Thus, a listing of other sources of funding over the past three years must be provided.

In order to apply, applicants are required to submit a completed and signed application form. Other supporting documentation may be required. An audit of the contribution may be performed after funds are dispersed.

Specific applications and requirements for each program are summarized in the following pages.

**Business Development Fund - Schedule A**  
**Part 1- Contributions For Planning & Other Developmental Costs**

**Purpose**

The purpose of this program is to assist NWT businesses to cover pre-establishment or pre-expansion costs when there is a good possibility of increasing regional sales or displacing imported goods or services.

**Authority**

Business Development Fund Policy, Schedule A, Part 1

**Level of Service**

A one time assistance is available to help defray costs for activities such as planning, legal help, engineering advice, feasibility studies, pilot or demonstration projects, and new product testing.

Applicants may receive funding for eligible studies up to a maximum of 75% of eligible costs. Total assistance for any project shall not exceed \$20,000.

Eligible accommodation and subsistence costs will be limited to the per diem allowance approved from time to time for Government of the Northwest Territories employees on duty travel.

Applicants are required to submit a development or research plan outlining the scope of the study, planning activity or research. In addition, applicants must identify all services to be used in the study, and their costs, including consultation, printing, translation, freight, legal and other contracts. Additional information may be required, appropriate to the nature and amount of the assistance requested.

**Business Development Fund - Schedule A**  
**Part 2 - Contributions For Pilot or Demonstration Projects**

**Purpose:**

This program is designed to assist businesses to establish pilot or demonstration projects to test the application of new technology in current or planned business ventures.

**Authority:**

Business Development Fund Policy, Schedule A, Part 2

**Level of Service:**

Assistance is provided to businesses undertaking projects where future business opportunities may result from a successful introduction of a new technology or process.

Businesses that received financial assistance under Part 1 of this schedule may also be eligible for assistance under Part 2 for the same project in the same or future fiscal years. Total assistance for any project under this program shall not exceed \$75,000.

Funding assistance will be limited to:

<b>Group 1</b> Communities	80% of eligible project costs
<b>Group 2</b> Communities	90% of eligible project costs
<b>Group 3</b> Communities	95% of eligible project costs

Examples of eligible costs include purchases of equipment and materials, leasing of equipment or facilities, and the cost of contracting technical support people.

Applicants are required to submit a development plan which outlines the scope and intent of the pilot or demonstration project, including a detailed budget, schedule, cost quotations, and any supporting engineering or other technical documentation deemed appropriate. In addition, applicants must identify all services to be used in the project, and their costs, including consultation, printing, translation, freight, legal and other contracts.

**Business Development Fund - Schedule B**  
**Part 1 - Contributions For Business Creation or Expansion**

**Purpose**

The purpose of this program is to assist trade, service, renewable resource, and manufacturing businesses throughout the NWT to acquire or develop capital where it will result in an increase in NWT employment.

**Authority**

Business Development Fund Policy, Schedule B, Part 1

**Levels of Service**

Assistance is available to NWT businesses for the purpose of capital acquisitions. Eligible costs might include buildings, equipment, site development costs and working capital. Assistance will not be provided for "buy-outs", land purchase, refinancing assets purchased prior to application, or related activities which do not result in increased employment. Contributions are tied to employment with a maximum contribution of \$25,000 per person year of employment created. The Minister may approve exceptions up to \$100,000 where exceptional income and employment benefits are anticipated.

A person year is defined as a job where the employee receives at least \$10,000 per year in the case of arts and crafts or renewable resources harvesting business, or 40 weeks of employment in the case of all other businesses.

Funding assistance will be limited to:

<b>Group 1</b> Communities	30% of eligible project costs
<b>Group 2</b> Communities	50% of eligible project costs
<b>Group 3</b> Communities	70% of eligible project costs

For requests in excess of \$25,000, applicants will be expected to provide a historical financial statement (if available) and a business plan which includes three year pro forma financial statements.

## **Business Development Fund - Schedule B Part 2 - Contributions For Venture Capital**

### **Purpose**

The intent of this program is to expand the Northwest Territories entrepreneurial base and to encourage private sector investment in under developed communities and regions.

### **Authority**

Business Development Fund Policy, Schedule B, Part 2

### **Level of Service**

Venture Capital Assistance may be provided to businesses or individuals willing to invest in NWT owned businesses. Businesses and individuals eligible for venture capital assistance may be from within or outside the NWT.

The conditions for venture capital assistance include the following.

- Eligible investments are the same as those outlined in Schedule B, Part 1.
- The investment must be made in a business located in a Group 2 or 3 community or a priority sector as identified by the Minister.
- The total investment must not exceed a minority interest of 49%.
- The business invested in must have an arms length relationship with the investor.
- In cases where projects involve government lease back agreements, government lease revenues shall not normally exceed 50% of the company's gross revenues during the amortization period of the assets. The Minister may make an exception to this limit where income and employment benefits warrant.

Contributions will be limited to 30% of the total venture capital investment to a maximum of \$150,000 and a minimum of \$15,000.

Applicants must provide an investment prospectus and may be asked to submit additional information appropriate to the nature and amount of the funding request.

## **Business Development Fund - Schedule C Contributions For Market Development and Product Promotion**

### **Purpose**

This program is designed to help businesses generate and increase sales of NWT products in new markets or to develop markets for new products. This program applies to marketing tourism, arts and crafts, renewable resource and other products.

### **Authority**

Business Development Fund Policy, Schedule C

### **Levels of Service**

Contribution assistance is available to NWT businesses for:

- Undertaking a marketing campaign;
- On-going merchandising programs, such as industry tagging and product demonstrations;
- Professional marketing fees;
- Creation of promotional material such as catalogues, displays, brochures, sales kits;
- Costs related to booth space and transportation of product samples;
- Design and development of new packaging;
- Consumer evaluation and test marketing;
- Encouraging and preparing for incoming trade missions, familiarization tours and participation in export market exploration; or
- Per diem allowance for attending trade shows, limited to two people per business.

Total assistance for any project shall not exceed \$10,000 per year to a maximum of \$30,000 over three years.

Funding assistance will be limited to:

<b>Group 1</b> Communities	30% of eligible project costs
<b>Group 2</b> Communities	70% of eligible project costs
<b>Group 3</b> Communities	70% of eligible project costs

Applicants are required to provide previous financial statements and an overall marketing and product development plan, including a detailed budget and explanation of how the proposed project will assist the applicant to penetrate a new market.



## **Business Development Fund - Schedule D Contributions for Business Skills**

### **Purpose**

This program is designed to assist businesses to upgrade business skills needed to effectively run a business.

### **Authority**

Business Development Fund Policy, Schedule D

### **Levels of Service**

NWT businesses are eligible to receive assistance to undertake short term training in business skills, to acquire short term professional or managerial support in specific circumstances, or to develop a training plan. Total funding is limited to \$20,000 per annum up to a maximum of \$60,000 for any one business.

Funding assistance will be limited to:

<b>Group 1</b> Communities	30% of eligible project costs
<b>Group 2</b> Communities	70% of eligible project costs
<b>Group 3</b> Communities	70% of eligible project costs

The Minister may approve exceptions to the amount allowable where exceptional income and employment benefits are expected to occur.

Applicants are required to submit a short description of the proposed training course, including benefits, a detailed budget, schedule, a listing of the proposed trainees, and resumes of the trainer(s) or other professionals that are being hired.

## **Business Development Fund - Schedule E Business Relief**

### **Purpose**

The purpose of this program is to provide emergency, short term relief for businesses in financial difficulty.

### **Authority**

Business Development Fund Policy, Schedule E

### **Levels of Service**

Assistance is available to NWT businesses to:

- Access professional services to identify problems in a business;
- To acquire professional services to develop a recovery plan;
- To cover short term operational requirements, or minor capital costs in recovery plan implementation; or
- If a business is found not to be viable, to acquire professional services to wind down a business.

The maximum amount available is \$25,000 per applicant. Funding under this program is available in all community levels, but applicants from Group 1 communities are eligible only if market disruption will not occur.

Shareholders must demonstrate an inability to contribute fully to the recovery plan or winddown. Applicants are required to provide historical financial statements and, in the case of winddown assistance, an undertaking from the principals that the business will actually be wound down. Other supporting data may be required depending on individual circumstances.

## **Grants to Small Business**

### **Purpose**

This program provides timely financial assistance to small businesses, particularly self-employed persons in the renewable resources and arts and crafts areas, on a scale suitable to these types of operations.

### **Authority**

Grants to Small Business Policy, 61.06

### **Levels of Service**

Grants may be provided:

- a) To small NWT businesses to cover legal or accounting expenses, or to assist with minor capital expenditures or extraordinary costs which, if not provided, may threaten the continued viability of the business. Minor capital items may also be funded where required and beneficial and where other sources of funding are unavailable.
- b) To commercial arts and crafts producers and renewable resource harvesters, for the purchase of tools and equipment to assist them in increasing their level or quality of production and income.

While businesses may apply more than once for this grant, the cumulative total financial assistance awarded to any applicant is limited to a maximum of \$5,000. Grants will not normally be provided to replace small tools or equipment originally purchased through Small Business Grants or other contribution programs.

## Community Futures Program

### Purpose

The Community Futures Program supports small communities in economic difficulty to assess economic problems and opportunities and to achieve long term employment stability, growth and adjustment.

### Authority

Federal-Territorial Agreement, August 1995

Introduced by the federal government in 1986 as part of the Canadian Jobs Strategy, this program is now administered by the Department of Economic Development and Tourism.

### Levels of Service

The Department of Economic Development and Tourism provides funding to Business Development Centres (BDC's) through the Community Futures Program. Funding to BDC's allows communities in need be the innovators, leaders and directors in solving their long-term employment problems. Each BDC is an incorporated, non-profit body run by an independent Board of Directors.

BDC's perform two major roles. First, they provide development and expansion capital through loans, equity financing or loan guarantees to viable businesses that are unsuccessful in getting adequate financing elsewhere. Secondly, they provide technical and counseling advice to new or existing small businesses within the community.

The Board of Directors of the BDC is responsible for assessing, approving, or rejecting applications for investment funds and for the overall direction of the technical advisory service operated by the BDC.

The Community Futures Program is aimed at individual communities or groups of communities that make up a labour market area. Eligibility for establishing a BDC is determined on the basis of a community's need and their ability to solve local problems as outlined below.

- a) Need is based on:
  - unemployment in the community
  - level of dependence on social assistance or other income transfers
  - income levels
  - age of the workforce
  - the number of workers moving to other communities
  - workforce participation rates
  - education levels
- b) Ability is based on:
  - the ability to react to these forces in a positive way by planning and managing an effective local development process

## **Organization Support**

### **Purpose**

The purpose of this program is to promote private sector involvement in economic development in the NWT.

### **Authority**

Economic Development Organization Support Policy, 61.07

### **Levels of Service**

This program provides support to economic development organizations whose policies and programs enhance the development of a healthy, expanding and diversified economy in the Northwest Territories in a manner compatible with northern lifestyles.

Financial assistance may be approved in amounts deemed appropriate by the Minister of Economic Development and Tourism, to a maximum of \$50,000 per annum, and subject to departmental budgetary constraints.

Eligible organizations must be registered under the Societies Act and must demonstrate how their policies and programs benefit the Northwest Territories.

## Commercial Fishery Assistance

### Purpose

This program supports the development and competitiveness of commercial fisheries in the NWT by off-setting the high freight or production costs associated with their operation.

### Authority

Commercial Renewable Resource Use Policy 61.05, Schedule A

### Levels of Service

Only licensed fishermen are eligible for assistance under this program.

**Great Slave Lake Summer Fishery:** Commercial fishermen harvesting export whitefish can receive assistance in two forms: a freight subsidy and a price subsidy. The *freight subsidy* offsets the costs of transporting all species of fish from lake stations on Great Slave Lake to Hay River. Fishermen must pay 1.5 cents per pound of the lake freight costs. The freight subsidy also covers the entire cost of transporting export grade whitefish to Winnipeg. The *price subsidy* is intended to compensate Great Slave Lake whitefish fishermen for the higher cost of operating in the North. The exact amount of the price subsidy is negotiated each year with the fishery prior to the start of fishing.

**Great Slave Lake Winter Fishery:** The Great Slave winter fishery is offered a freight subsidy for shipment of export grade whitefish from Hay River to Winnipeg. This subsidy has an upper limit of \$0.095/lb. A price subsidy is not provided to the winter fishery.

**Export Inland Fisheries:** Commercial fishermen receive the same funding per pound as what is provided to the Great Slave Lake fishermen for the same species of fish.

**Export Char Fisheries:** Assistance is provided to maintain prices at the previous year's level FOB Winnipeg, or to offset 50% of the cost of shipping fish from a NWT processing plant to Winnipeg, whichever is greater.

**Intersetlement Trade:** Assistance is provided to offset up to 50% of the freight costs between communities within the NWT.

No equity is required under this program. However, fishermen must show that they have been active in commercial fishing in the year for which they are seeking assistance. They should also show that they are operating financially as a marginal enterprise. For Great Slave Lake fishermen application is made through the Freshwater Fish Marketing Corporation (FFMC), which administers this program for Great Slave lake on behalf of the Department. Other fishermen apply through the local EDO.

## Forest Industry Assistance

### Purpose

This program is intended to stimulate the forest industry by reducing the high costs of accessing timber supplies and maintaining inventories of logs or lumber.

### Authority

Commercial Renewable Resource Policy, 61.05, Schedule B

### Levels of Service

This program applies to forest industry businesses that are licensed and actively operating in the NWT.

Contributions may be granted to forest industry businesses under two categories:

- Forest Access Contributions
- Production Incentive Contributions

**Forest Access Contributions:** The contribution may be provided for the purpose of constructing roads to access timber supplies. Contributions may be made for the lesser of:

- 50% of the actual cost of road construction, or
- \$20,000 per annum.

During the period of construction allowed costs will consist of:

- charges for rental of equipment
- maintenance and repair of equipment
- cost of fuel and lubricants
- wages and related benefits for employees
- transportation costs for moving workers and equipment to site

Maintenance costs associated with newly constructed roads are not eligible under this program.

**Production Incentive Contributions:** Contributions may be made towards lumbering or wholesaler lumber purchasing for the purpose of reducing the carrying costs associated with the production or acquisition of log and lumber inventories.

- *Lumbering* - Sawmills may be eligible to receive the lesser of \$2 per cubic metre of eligible log inventories or \$10,000 per annum. An eligible log inventory is that portion of the *producer's* total scaled log inventory which represents an increase over the previous year's inventory.
- *Wholesaler Lumber Purchasing* - Buyers may receive the lesser of \$20 per 1,000 FBM of eligible lumber inventories or \$20,000 per annum. An eligible lumber inventory is that portion of the *purchaser's* total lumber inventory purchased and received from a lumberer between October 1 and December 31.

## **Tourism Industry Organization Core Funding**

### **Purpose**

Support is allocated to NWT Tourism Industry Organizations so that they may stimulate and guide the tourism industry and provide coordinated direction to tourism initiatives of the Government of the Northwest Territories.

### **Authority**

Tourism Industry Contributions Policy, 61.13, Schedule E

### **Levels of Service**

This program provides annual contributions to NWT Tourism Industry Organizations for the purposes of covering director and manager salaries, office rent, and operating and maintenance expenses, as well as delivery of some tourism marketing initiatives.

Financial contributions are made on an annual basis. The level of assistance is guided by a schedule prepared by the Tourism Industry Organization's Board of Directors. Applications are evaluated based on need and their ability to provide benefits to the community in which they operate, and the tourism industry in general.

Applicants must provide proof of registration and current status under the NWT societies ordinances, a list of elected board of directors, a description of the organization's proposal activities for the upcoming year, an estimate of the economic impact on members. A list of members and proof of revenues generated from sales may be requested.



## **Economic Development and Tourism Bursary Program**

### **Purpose**

The purpose of this program is to increase number of affirmative action graduates from diploma and degree programs in economic development related fields such as administration, accounting or tourism.

### **Authority**

FMB approval of the program pursuant to the GNWT Affirmative Action Policy, 14.03

### **Levels of Service**

A bursary may be provided to NWT residents who are affirmative action candidates to offset some of the costs of attending a diploma or degree course. The available level of funding ranges between \$500 and \$2,500.

Studies which qualify under the program are those that are targeted towards a career in business or economic development, such as administration, commerce, accounting, tourism development, commercial renewable resource development, and similar fields. Funding may be used for any education related expense such as tuition, books, airfares, housing or similar items.

Applications are evaluated and ranked based on:

- Affirmative action status;
- Length of residency in the NWT and commitment to return to work in the NWT;
- Year of studies, with greater weighting for students nearer completion;
- A recognition of the planned Division of the NWT and the need for business skills in both future territories;
- Other criteria as may be developed to ensure maximum beneficial use of available funding.

## **Affirmative Action Employee Development Program (AAED)**

### **Purpose**

AAED is intended to improve the representation of affirmative action employees within the department, especially at the officer level and higher by providing financial assistance for training.

### **Authority**

Ministerial approval of the program pursuant to the GNWT Affirmative Action Policy, 14.03

### **Levels of Service**

Funding may be provided to Economic Development and Tourism employees who are affirmative action candidates, for the following activities.

- secondments
- transfer assignments
- acting assignments
- developmental assignments
- short courses and workshops
- conferences
- attendance at post-secondary institutions
- special equipment to mitigate disabilities

Within the eligible activities, assistance may be provided for the following.

- Salaries and wages while trainee is on secondment, developmental assignments, or for summer employment of returning students;
- Travel and accommodation for the trainee and in some instances for the trainees spouse and dependents;
- Travel and accommodation for trainer, as part of an approved training plan, where the trainer is required to travel for the benefit of the trainee rather than to carry out normal functions of their position;
- Tuition and books;
- The Department may fund travel for the trainee's family where the trainee will be away from his or her home community for more than 30 days.

Requests for funding which have been identified in a training plan will be given priority. Further priorities for funding are as follows:

- Firstly, co-funding of short courses and related costs, provided by the Department of Education, Culture and Employment (ECE's) Public Service Career Training Program (PSCTP);
- Secondly, funding to supplement the cost of internally funded employee career development activities for existing employees;
- Thirdly, funding to supplement the cost of developing internally funded new trainee positions.

## Agri-Food Green Plan

### Purpose

The purpose of this program is to improve agri-food management and disposal of waste from agri-food operations, particularly those related to livestock and poultry operations.

### Authority

Canada/NWT Agreement on the Agri-Foods component of the Canada Green Plan

### Levels of Service

Under the Agri-Food Green Plan, government and industry collaborate to improve the environmental sustainability of agriculture in the NWT. This program supports research directed at developing innovative agri-food practices that are environmentally sustainable. Industry organizations, NWT businesses and government agencies are eligible for assistance under two broad areas.

- Assistance to address pollution and waste management
- Assistance to sustain soil, water and wildlife resources

The level of assistance varies based on need and anticipated benefit of proposed projects.

**Assistance to Address Pollution and Waste Management:** Funding is available to undertake projects aimed at reducing pollution of air, soil, and water resources associated with agri-foods production. Eligible activities under this component include the following.

- Development of waste management guidelines or other environmental standards related to the agri-foods sector;
- Activities which promote industry and public awareness of environmentally sustainable agri-food practices;
- Research in support of the development of environmentally sound agri-food practices;
- Research and demonstration projects directed at reducing pollution and improving waste management practices associated with the agri-foods industry;
- Development of innovative practices for the proper handling and recycling of animal wastes.

**Assistance to Sustain Soil, Water and Wildlife Resources:** Funding is available to undertake research and on-farm demonstration projects aimed at the development of agri-food practices which support the long term sustainability of soil, water, and wildlife resources. Eligible activities under this component include the following.

- Development of standards and guidelines to ensure the environmental sustainability of agri-food practices;
- Research and demonstration projects in support of the development of environmentally sound agri-food practices;
- Projects to develop and implement resource, land and waste management practices which are compatible with the needs of both the agri-food industry and wildlife; and
- Development of a communications strategy to increase awareness of the importance of preserving agriculture land for future production.

To apply, applicants submit a proposal outlining project details and associated cost to the Department of Economic Development and Tourism for consideration by an interdepartmental management committee.

## **Economic Development Agreement**

### **Purpose**

The 1991-1996 Economic Development Agreement (EDA) is a five year \$50 million federal/territorial agreement aimed at stimulating economic development in strategically key areas in the NWT.

### **Authority**

Canada/NWT Economic Development Agreement, 1991-1996

### **Levels of Service**

The EDA provides assistance to public and private sector clients for a wide variety of initiatives in support of Economic Development and Tourism's Economic Strategy.

At the time of writing the program was in its final year of implementation. The balance of the budget has been allocated with no available funds for new projects.

**Services**  
**to**  
**Business**

## **Business Counseling and Support Service**

### **Purpose**

The Department offers business counseling and support services to assist NWT business's to become established, modernized or expanded, so that local economies may become strengthened.

### **Authority**

Establishment Policy, 61.00

### **Levels of Service**

Economic Development Officers (EDO's) are located in many NWT communities and offer services to all communities to provide the following services.

- Participate in and encourage community economic development;
- Offer business and management advice to business owners;
- Help develop business plans;
- Assist in developing proposals and processing applications for financial assistance.

The specific services provided in each of the above-noted areas are outlined below.

To assist with **community economic development**, EDO's

- Liaise with community based organizations to identify constraints and opportunities, and prioritize objectives;
- Conduct business development workshops;
- Promote federal and territorial business programs in the community by making timely presentations;
- Maintain an office in or nearby each community
- Assess business ideas submitted by the local people to determine compatibility with community and regional plans.

In providing **business advice**, EDO's:

- Visit businesses frequently to observe business performance for early problem detection;
- Provide professional consultation as required in such areas as business organization, marketing, accounting and staff management;
- Assist clients to obtain accounting, legal, tax and other professional services;
- Meet regularly with clients to discuss the effectiveness of the implementation phase of business plans and recommend changes for improvement.

To assist businesses in **developing business plans**, EDO's help identify key areas of business development including:

- products or services
- markets and promotion
- production costs
- projected revenues
- administration
- staffing requirements
- training

To assist clients to **obtain necessary funding** for their business or project, EDO's:

- Assess business feasibility;
- Research and review all pertinent data on similar projects;
- Evaluate results of any initial studies related to a project;
- Develop financial plans and proposals with clients on request;
- Assess eligibility of proposals relative to available funding programs;
- Develop a recommendation on whether or not to proceed with a project;
- Identify business training needs or other business related support; and
- Act as liaison with regional offices relating to project account, loan collection activity or other business related initiatives.

## **Business Aftercare**

### **Purpose**

The Department provides ongoing business advice and technical training to businesses after they have received funding to assist with specific operational problems.

### **Authority**

Establishment Policy, 61.00

### **Levels of Service**

Businesses in need of business counseling or training are eligible to receive the assistance of an experienced business consultant. This service may be provided by an Area Economic Development Officer, a CESO volunteer or a management consultant retained on contract to provide this service.

The type of assistance varies to suit the needs of the client. They may include the following:

- training in budget development and financial forecasting;
- training to establish and maintain simple bookkeeping systems;
- training to develop and understand business financial statements;
- providing advice and assistance in identifying key target markets and developing strategies to capitalize on those markets;
- providing advice and assistance to effectively manage cash flow;
- training to develop effective accounts receivable collection systems and procedures;
- training on preparing Revenue Canada and Workers' Compensation Board submissions and reporting requirements;
- providing advice and assistance to local contractors in job costing and bid preparation procedures;
- advice on business planning, survival, and turnaround;
- other business advice and training as may be appropriate to the specific circumstances of individual clients.

The amount of assistance provided is assessed on an individual basis depending on need and projected benefits. In some circumstances the cost of aftercare services may be shared with the client and/or other agencies.

Client businesses requiring assistance make their request to the Area Economic Development Officer or regional Economic Development and Tourism office.



## **Canadian Executive Service Organization (CESO)**

### **Purpose**

The Canadian Executive Service Organization (CESO) offers the services of retired business professionals to assist northern businesses to expand, increase productivity and increase profit margins.

### **Authority**

Service contract with CESO.

### **Levels of Service**

CESO volunteers are retired individuals from leading Canadian industries who possess a wide range of knowledge. They are able to assist local firms with accounting, funding applications, finding new markets, improving procedures, purchasing specialized equipment, appraisals and designing and installing new facilities.

The Department of Economic Development and Tourism will cover the expense of bringing a CESO volunteer to any community in the Northwest Territories. Thus local business people have free access to the wide range of knowledge CESO volunteers possess.

**Other  
Departmental  
Services**

## **Tourism Program and Product Development**

### **Purpose**

The Tourism Development and Marketing Division provides direction, coordination and evaluation of tourism development and marketing initiatives that will positively affect the growth of the tourism industry.

### **Authority**

Tourism Policy, 61.03

### **Levels of Service**

The Tourism Development and Marketing Division provides the following services.

- Identify policy needs and preparation of strategic guidelines;
- Support regional, area and community tourism planning and opportunity identification initiatives;
- Liaise with intergovernmental and tourism industry organizations;
- Assist in the preparation of legislation affecting tourism and marketing development;
- Monitor and evaluate the effectiveness of the tourism and marketing development programs;
- Assist industry in identifying funding from a variety of sources for tourism industry training;
- Assist tourism operators and regional businesses in marketing products;
- Undertake public relations initiatives to increase public awareness about tourism marketing programs and opportunities;
- Provide consultation services to tourism associations, regional and tribal councils, communities and private sector interest groups.

## **Tourism Licensing**

### **Purpose**

Tourism operations are licensed and monitored to maintain a high standard of tourism products and maximum benefits accruing to the NWT.

### **Authority**

Tourism Policy, 61.03  
Travel and Tourism Act, amended 1992

### **Levels of Service**

The Tourism and Marketing Development Division administers the Travel and Tourism Act and the regulations under it. NWT tourism operators are licensed under the Tourist Establishment Regulations and Outfitter Regulations.

The licensing function:

- Ensures all tourism businesses are operating in accordance with existing legislation;
- Reviews new license requests and license renewals;
- Informs the public and industry of the tourism licensing requirements;
- Informs the public to maintain the stability of lodge and outfitter industry; and
- Develops standards and criteria for the industry.

## Tourism Marketing

### Purpose

The Tourism Development and Marketing Division coordinates territorial marketing activities of government and tourism industry partners with an objective to increase the number, average length of stay, and the average per diem expenditures of travelers to the NWT.

### Authority

Tourism Policy, 61.03

### Levels of Service

Through the Tourism Development and Marketing Division, the Department:

- Provides adequate information to prospective visitors to the NWT to ensure they are well informed about tourism products and have realistic expectations of NWT cultures and lifestyles;
- Provides adequate information to NWT residents about opportunities, benefits and costs associated with tourism businesses; and
- Interacts and cooperates with NWT businesses and associations to market the NWT as a tourism destination and increase the awareness of the NWT in the global marketplace.

Tourism Marketing is composed of five distinct marketing initiatives as described below. Deadlines for applications are published annually.

### Co-op Print Media Campaign

The department coordinates industry participation in a cooperative print media tourism advertising campaign. The campaign consists of advertisements and publications appearing in strategically placed consumer publications promoting the image and awareness of the NWT, with an aim of increasing sales of NWT products. Industry partners are entitled to participate by paying a fee of \$1,500<sup>1</sup> for each segment they are involved in. Participants receive a rebate of \$500 at the conclusion of the campaign and upon fulfillment of contract requirements.

### Travel Trade Initiative

The department coordinates attendance at international travel trade marketplaces by NWT tourism operators. Eligible operators are entitled to a rebate of 50% to 100% of booth and registration costs at select travel trade marketplaces. The program is targeted at licensed tourism operators with demonstrated northern benefits, commissionable package tours, proven international marketing activities and a commitment to developing overseas markets. To apply for the program, operators must submit their intention to the regional ED&T office and submit a market analysis report at the conclusion of the trade show.

### Media Relations Initiative

This program is designed to assist tourism operators with hosting qualified travel writers, photographers, and film crew visits to experience their products and services. The program is based on cooperation between tourism industry partners. To apply, interested operators must submit their proposal to the regional ED&T office, where it is assessed for overall industry support and return on investment to the region.

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<sup>1</sup> This fee, which applied in 1995/96, is subject to change without notice.

Explorers' Guide

The Department contracts with the private sector for the production of an annual Explorers' Guide, which contains a comprehensive listing of tourism products and services available in the NWT. In addition, the Guide provides accurate and up-to-date information about the NWT's community and special events, culture and practical information.

Tourism Counseling and Fulfillment Service

The Department contracts with the private sector for the provision of a centralized telephone tourism counseling and information request fulfillment service to the public. Included in these services are the following.

- A toll-free telephone service to provide information about NWT tourism destinations, products and services;
- Fulfillment of requests for travel information packages mail-outs;
- Maintenance of a database of inquiries for use by the private sector and government to measure the effectiveness of the marketing program.

## **Parks & Visitor Services Facilities Development**

### **Purpose**

The Parks and Visitor Services Division provides professional, in-house, technical services and contract management for the design and construction of not-for-profit tourism facilities.

### **Authority**

Establishment Policy, 61.00

### **Levels of Service**

The design and development of Parks facilities provide attractions and services that contribute to the conservation and appreciation of natural and cultural resources. By doing so, this service supports a healthy and growing economy within the Northwest Territories. There is also a parallel information strategy which is the development of roadside and community display signs which provide information on site for visiting tourists.

Specific functions of this program include:

- Work in concert with the regions, the Tourism Marketing section, and the Tourism Program and Product Development section, to develop public parks infrastructure;
- Implement detailed design development;
- Monitor and manage the capital budget in cooperation with the Departments of Public Works & Services and Transportation;
- Co-ordinate regional and community input into the development of public parks infrastructure within the Region;
- Participate in the Capital Project Tracking System;
- Liaise with the community in the development of facilities;
- Participate in long range planning and feasibility studies.

## **Parks & Visitor Services Facilities Maintenance**

### **Purpose**

The Parks and Visitor Services Division ensures that the maintenance and operation of public tourism facilities are conducted in a professional, effective manner, consistent with, or exceeding, national standards for similar facilities.

### **Authority**

Establishment Policy, 16.00

### **Levels of Service**

Public facilities shall incorporate the natural and cultural attributes of individual communities so that distinctive local identities are maintained and celebrated. The operation of facilities will be carried out in a fashion consistent with the high standards seen in provincial and federal facilities elsewhere. Parks and Visitor Services staff will therefore, endeavor to involve local people in operational contracts and staffing consistent with the principles of community based tourism.

This program provides the following functions:

- Operate a system of Territorial Parks and Visitor Centres, and develop activity and program training;
- Provide technical assistance and monitor public infrastructure;
- Prepare management and operational tools, procedures, and policies for inter-regional co-ordination;
- Monitor and manage operations and maintenance budgets;
- Select contractors, recruit and supervise staff to operate and maintain facilities and parks;
- Organize and arrange for regular events and programs at Parks and Visitor Centres, as well as for ceremonies or official openings;
- Oversee facility operations and maintenance including links with regional offices of the Department of Public Works and Services and with field staff of the Canadian Parks Service.



**Crown**

**Corporations**

## **Northwest Territories Business Credit Corporation**

The Northwest Territories Business Credit Corporation (BCC) is a crown corporation established under the Northwest Territories Business Credit Corporation Act, 1991. The BCC was established to stimulate economic development and has a mandate to provide loans, loan guarantees and contract security bonding to NWT business enterprises which may have difficulty accessing financial services from other financial institutions.

The objectives of the BCC are to:

- Stimulate economic development;
- Encourage business growth;
- Increase employment.

The BCC provides the following services<sup>2</sup> .

- Loans to business enterprises
- Loan guarantees;
- Provides contract security.

The BCC is run by a Board of Directors that is appointed by the Commissioner in the Executive Council. The Board, made up entirely of private sector individuals, has representation from all regions of the NWT.

The operations of the BCC are overseen by a Chief Executive Officer (CEO). The CEO supervises, manages and directs the business of the Corporation in accordance with the direction of the Board. The CEO and other staff are Government of the Northwest Territories employees.

The Board of Directors formulate operational procedures of the BCC in consultation with the Department of Economic Development and Tourism. The operational procedures ensure conformity with prudent lending practices, while complying with Ministerial directives, the objectives of the BCC and the Financial Administration Act, 1987.

Loan and contract security applications are made to the regional offices of the Department of Economic Development and Tourism. Loans may be approved for the purpose of fixed asset purchases, leasehold improvements, working capital and debt consolidation. Approvals up to regional limits are made by the Regional Superintendent. Requests in excess of regional limits are referred to the Board of Directors. The Board has the authority to approve loans and bonds up to \$500,000. Requests in excess of that amount must be approved by the Minister, in accordance with the Business Credit Corporation Act.

The BCC's current fund limit is \$28 million. This limit can be extended as far as \$50 million under the existing legislation, upon approval of the Financial Management Board.

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<sup>2</sup> The loan guarantee and contract security products are currently under review and may be changed in the future.

## Loans

### Purpose

The BCC is a lender of last resort with a mandate for stimulating economic development and employment throughout the NWT through the provision of loans.

### Authority

Northwest Territories Business Credit Corporation Act, 1991

### Levels of Service

Business enterprises, including limited companies, partnerships, sole proprietorships or cooperative associations, are eligible to apply for BCC loans if one of the following conditions is met.

- They are unable to obtain a loan from a financial institution on reasonable terms and conditions; or
- There is no financial institution or branch office in the applicant's community.

Lending parameters established by the BCC are as follows.

- |                                                                       |                                                 |
|-----------------------------------------------------------------------|-------------------------------------------------|
| • Maximum loan and liability for any one business or related business | \$1.0 million                                   |
| • Maximum amount for any one business loan                            | \$1.0 million                                   |
| • Maximum loan term                                                   | 5 years                                         |
| • Maximum loan amortization                                           | 25 years                                        |
| • Interest rate                                                       | 2% over CIBC's prime lending rate set quarterly |

In addition to completing a BCC application form, clients must provide the following:

- A letter of rejection from a bank if one exists in their community;
- 10% equity (equity requirement may be reduced in exceptional circumstances);
- A business plan;
- Other supporting documentation as may be required.

## **Loan Guarantees**

### **Purpose**

The BCC guarantees business loans to assist NWT businesses to secure financing with commercial lending institutions.

### **Authority**

Northwest Territories Business Credit Corporation Act, 1991

### **Levels of Service**

NWT businesses who have identified commercial financing are eligible to apply for a loan guarantee.

In addition to completing a BCC application form, clients must provide the following:

- A letter of rejection from a bank if one exists in their community;
- 10% equity (equity requirement may be reduced in exceptional circumstances);
- A business plan;
- Other supporting documentation as may be required.

## **Contract Security**

### **Purpose**

The purpose of providing contract security is to enable small and developing business enterprises in the NWT to compete on tenders and thereby expand their operations.

### **Authority**

Northwest Territories Business Credit Corporation Act, 1991

### **Levels of Service**

Contract security is available to resident contractors who are bidding on Northwest Territories building contracts tendered by GNWT departments and the Northwest Territories Housing Corporation. Clients must demonstrate that they are unable to obtain a bond from a bonding company.

Once approved, the BCC issues an irrevocable letter of loan assignment to the contractee on behalf of the contractor to guarantee fulfillment of the contract. By assignment of loan proceeds, such funds become payable to the contractee if there is a breach of contract by the contractor.

The maximum limit for a contract security loan is \$1 million for any one business. This assistance is for a period of one year with interest rates at BCC's normal loan rates.

In addition to completing a BCC application form, clients must provide the following.

- A business license or proof of registration;
- A record of all bonded and unbonded work in progress;
- A letter of rejection from a regular bonding and security institution;
- A recent quarterly financial statement;
- A contract evaluation of a recently completed contract.

## Northwest Territories Development Corporation

The Northwest Territories Development Corporation is a crown corporation established under the Northwest Territories Development Corporation Act, 1991.

The mandate of the Northwest Territories Development Corporation (DevCorp) is to develop and operate business enterprises that will create employment and income for northern residents. Further, the DevCorp has the mandate to develop and promote economic diversification and stability of the northern business economy, consistent with the economic development strategies of the Government of the Northwest Territories.

The goals of the DevCorp are to:

- (a) Incorporate, establish and carry on the business of companies and to develop, establish, operate, manage and carry on the business of projects, directly or indirectly, within the Corporation in order to:
  - i) create employment and income for residents of the NWT, primarily in small communities,
  - ii) stimulate growth of businesses in the NWT, and
  - iii) promote economic diversification and stability;
- (b) Invest in business enterprises in order to:
  - i) stimulate growth of businesses in the NWT, and
  - ii) promote economic diversification and stability;
- (c) Promote the economic objectives of the Government of the Northwest Territories.

The private sector is the preferred vehicle for stimulating growth, however the private sector is often reluctant to invest outside of well established communities. Limited labour skills and management expertise, small markets, poor or inadequate facilities, and high costs are the major barriers to economic development and job creation in traditional and emerging communities.

The DevCorp is responsible for creating employment and income opportunities by initiating and operating businesses. Investments include joint ventures with local development corporations, joint ventures with the private sector, and wholly owned business ventures. These investments diversify local economies by providing the means to access larger markets.

Management of investments in which the DevCorp has more than a 50% involvement, requires the hiring of trained managers who are directed by standardized management policies and procedures implemented by the DevCorp. The objective of the DevCorp is to create viable businesses that can generate income and training opportunities for local residents and eventually be turned over to the private sector. Venture investments by the DevCorp are primarily in the form of cumulative preferred shares with a positive return on investment within three years.

The DevCorp is run by a Board of Directors consisting of prominent and skilled northerners representing a broad cross section of the northern economy. These board members are responsible for policy and procedures that govern the DevCorp and decisions pertaining to investments made by it. The DevCorp is administered by a team of people who are highly proficient in their respective positions and who all have a strong commitment to the North and its people.

### **Wholly Owned Subsidiaries - Capital Fund & Subsidy Fund**

When the DevCorp is evaluating the acquisition or commencement of a wholly owned subsidiary (100% owned by the DevCorp) the following criteria are the basis of the decision:

- (a) The guidelines created by the Board such as:
  - i) Refinancing proposals are not eligible for investment;
  - ii) Market disruptive investments will not be considered.
- (b) The number of jobs and the amount of income expected to be created. The limit for capital investment is \$100,000 for each job created. Subsidies are only allowed for operations which are owned 100% by the DevCorp. The subsidy is limited to \$10,000 for each job created as defined below.
  - (i) A seasonal job is considered to be a least 20 weeks of employment.
  - (ii) A full time, non-seasonal job is considered to be at least 40 weeks of employment
  - (iii) For projects that involve a tourist lodge or guiding business, which is seasonal, a job is considered to be at least 10 weeks of employment.
  - (iv) For projects involving arts and crafts, \$10,000 of income is considered to be equivalent to one job.
  - (v) Where the length of employment in any of the above instances is less than the minimum number of weeks, the level of employment is considered as a percentage of the minimum required for a job.
- (c) The extent to which the proposed project or subsidiary will use skills or other assets available in the region in which it would operate;
- (d) The expected profitability and success of the proposed project or subsidiary;
- (e) The likelihood that the proposed project or subsidiary will continue to carry on business in the foreseeable future without the assistance of the DevCorp;
- (f) Any benefit, direct or indirect, which may be gained in the region in which the proposed project or subsidiary would operate;
- (g) The manner in which the proposed project or subsidiary may disrupt or otherwise affect the market;
- (h) The cost and risks of the investment;
- (i) The amount and length of time a subsidy will be required;
- (j) The economic need of the community;
- (k) How the investment will affect the distribution of investment between regions;
- (l) Whether the investment falls within the DevCorp's long-term strategy for investment.

### **Investments - Venture Investment Fund**

Venture investments apply to businesses that have other shareholders. The assistance provided by the DevCorp is limited to supplying investments; losses cannot be subsidized. The Board of Directors base their decision on the following criteria:

- (a) The guidelines established by the Board such as:
  - i) The DevCorp will not consider financing proposals,
  - ii) Market disruptive investments will not be considered by the DevCorp;
- (b) The expected rate of return from the investment;
- (c) The cost and risks of the investment;
- (d) The benefits of the investment, including job creation, diversification of the economy of the NWT and other direct or indirect benefit;
- (e) The manner in which the proposed investment may disrupt or otherwise affect the market;
- (f) The economic need of the community;
- (g) How the investment will affect the distribution of investment between regions;
- (h) Whether the investment falls within the DevCorp's long-term strategy for investment.

Investment is limited to \$100,000 for each job created. The investment can be provided on an interest free basis for up to 3 years, however, thereafter a positive rate of return must be received. The DevCorp can take preferred shares, common shares or a combination thereof in the ownership of the company. The DevCorp also has the power to provide short-term operating loans to subsidiaries.

### **The Approval Process**

All investments, whether from the Investment Fund, Capital Fund or Subsidy Fund, must be approved by the DevCorp Board of Directors. The Board meets quarterly to discuss these projects. If an application is received which requires urgent attention the Board can be convened by conference call at the discretion of the Chairman of the Board.

### **Disbursement of Funds**

The DevCorp disburses funds on an as-required basis, assuming the expenditures are within the approved budget for the investment.