

POLICY

POLICY STATEMENT

The Department of Industry, Tourism and Investment supports and encourages the development of the Northwest Territories economy in a manner compatible with northern lifestyles and aspirations.

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

PRINCIPLES

In addition to the principles contained in the Renewable Resources Grants and Contributions Policy, Number RWED-02, this policy is based on the following principles respecting commercial use of renewable resources:

1. Commercial renewable resource development is a desirable activity for the Northwest Territories.
2. Commercial development of renewable resources will be encouraged where resources are surplus to domestic needs.
3. Commercial renewable resource development will be consistent with territorial and federal renewable resource management policy guidelines.
4. Commercial renewable resource development will be consistent with territorial Sustainable Development Policy, Number 52.05.
5. The interests of native groups and other northern residents in the renewable resource sector will be encouraged to attain national health and product quality standards.
6. The commercial renewable resource sector shall conform to territorial standards of fire, health and safety.
7. The commercial renewable resource sector will be encouraged to attain national health and product quality standards.
8. The implementation and administration of renewable resource development will not prejudice land claims negotiations, agricultural development, with the exception of small-scale and innovative northern agricultural activity on Commissioner's land, will occur only after land claims are resolved.

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

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SCOPE

Pursuant to the territorial Sustainable Development Policy, Number 52.05, this directive applies to the provision of financial assistance for all existing and prospective Northwest Territories renewable resource businesses.

EXCLUSION

This policy applies only to duly registered northern businesses.

DEFINITIONS

1. Contribution

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

2. Grant

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

3. Northern Resident

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

4. Northern Business

Means a business, which complies with the legal requirements to carry on business in the Northwest Territories, and meets the following criteria:

- (a) (i) Is a limited company with at least 51% of the company's voting shares beneficially owned by Northern Residents, or
 - (ii) Is a co-operative with at least 51% of the cooperatives' voting shares beneficially owned by Northern Residents, or
 - (iii) Is a sole proprietorship, the proprietor of which is a Northern Resident, or
 - (iv) Is a partnership, the majority interest in which is owned by Northern Residents.

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- (b) Maintains a Resident Manager,
- (c) Maintains a Bona Fide place of business in the NWT.

5. Renewable Resource Businesses

Means northern businesses engaged in the commercial utilization of renewable resources, including, but not limited to, such primary activities as silviculture, logging, agriculture (including domestication of indigenous species), hunting, trapping, fishing and aquaculture; and such secondary activities as sawmilling, food processing and tanning.

6. Commercial Renewable Resource Strategy

Means a medium range development plan that outlines the Department's goals for commercial renewable resource development, sets out objectives, and describes programs to accomplish these objectives.

PROVISIONS

1. Programs and Services

Department of Industry, Tourism and Investment economic programs and services in support of commercial renewable resource use will include, but not be limited to:

- (a) Provision of assistance for NWT commercial fisheries, to offset the high freight and/or production costs associated with their operation in order for them to be competitive with southern industries.
- (b) Provision of assistance to the NWT commercial forestry sector, to reduce the costs of new road construction necessary to access timber supplies, and to reduce the carrying costs associated with the production or acquisition of inventories of logs or lumber.
- (c) Provision of financial assistance to encourage and facilitate the development of new businesses and to support existing businesses which have the potential to be financially viable within five years;
- (d) Provision of and assistance for training and business development to ensure that Northwest Territories' residents and businesses are adequately prepared to take full advantage of the employment and entrepreneurial opportunities associated with commercial renewable resource development;

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- (e) Provision of assistance in the development of renewable resource products which are marketable, potentially profitable and which will contribute to the achievement of community aspirations;
- (f) Provision of economic planning, feasibility studies, and pilot projects useful to the renewable resource industry;
- (g) Identification of employment/business development opportunities in the renewable resource sector;
- (h) Provision of adequate and appropriate information to Northwest Territories' residents about the opportunities, benefits and costs associated with commercial renewable resource development; and
- (i) Provision of and assistance for the marketing of renewable resource products, including consumer, trade and industry promotional activities.

2. Eligibility

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

3. Preference

Subject to funding limits, preference will be given to businesses that comply with Department of Industry, Tourism and Investment economic plans and renewable resource strategies.

4. Authority and Accountability

(a) Minister of Industry, Tourism and Investment

Only the Minister of Industry, Tourism and Investment may approve exceptions to this policy.

(b) Financial Approval

(i) Minister of Industry, Tourism and Investment

The Minister of Industry, Tourism and Investment may approve contributions up to amounts appropriated in the Main Estimates.

(c) Program Approval

The Minister of the Department of Industry, Tourism and Investment shall approve all program revisions.

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5. Criteria

Applicant criteria are detailed in the attached schedules.

6. Conflict of Use

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

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

(ii) There is local support for the "better" activity, and

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

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

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

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

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

7. Terms and Conditions

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

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

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

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

(d) Financial contributions will not be granted until the applicant business and the Department of Industry, Tourism and Investment have entered into a formal and binding legal agreement describing the terms and conditions under which the assistance is offered; and

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

8. Applications

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

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

- (i) Proof of business registration and/or licence to operate in the Northwest Territories;
- (ii) Purpose and amount of financial assistance;
- (iii) Estimated effect of financial assistance on business enterprise;
- (iv) Financial data;
- (v) Employment data; and
- (vi) Any other information deemed necessary.

9. Prerogative of the Minister

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

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Schedules

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Commercial Fishery Assistance

Schedule A

Schedule A

COMMERCIAL FISHERY ASSISTANCE

SCOPE

This schedule applies to all commercial fishing activity in the NWT.

DEFINITIONS

The following terms used in this schedule are hereby defined:

1. Commercial Fishery

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

2. Commercial Fisherman

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

3. Commercial Fish

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

4. Freshwater Fish Marketing Corporation (FFMC)

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

5. Fishery Assistance

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

6. Winnipeg Price

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

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PROVISIONS

1. Eligibility

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

1986 - 50%
1987 - 80%
1988 - 100%

2. Criteria

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

3. Financial Conditions

Fishery Assistance may be approved by the Minister of Industry, Tourism and Investment according to the following:

(a) Great Slave Lake Fisheries

(i) Export Whitefish:

Assistance sufficient, in summer, to provide commercial fishermen with the same return per lb., after cost, as those received by Lake Winnipeg commercial fishermen; and, in winter, assistance to offset the cost of freighting from Hay River to Winnipeg, up to a maximum of 9.5 cents per lb.

(ii) Other Export Fish:

Assistance sufficient to maintain fishermen's net freight cost on Great Slave Lake at 1.5 cents per lb.

(b) Other Export Inland Fisheries

The same dollar amounts per pound for whitefish and other fish as provided to the Great Slave Lake fishermen.

(c) Export Char Fishery

Assistance sufficient to provide the greater of either (a) maintaining the Winnipeg Price at the previous year's level or (b) 50% of the cost of shipping fish from an NWT processing plant to Winnipeg.

(d) Inter-settlement Trade Fishery

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

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4. Terms and Conditions

- (a) Assistance to a commercial fishery must be used only to offset the high freight and production costs associated with operating in the NWT.
- (b) The Freshwater Fish Marketing Corporation may administer any fishery assistance made to the Great Slave Lake Fishery and the Arctic Char Export Fishery on a fee-for-service basis.
- (c) The Department of Industry, Tourism and Investment will announce the level of fishery support to the Great Slave Lake Fishery and Export Char Fishery by May 15 prior to the summer season and by November 15 prior to the winter season.
- (d) Financial contributions will not be granted until the applicant or his representative and the Department of Industry, Tourism and Investment have entered into a legal agreement describing the terms and conditions under which the contribution is offered; and
- (e) All fishermen receiving contributions will maintain, and make accessible for inspection, records, files, and books according to standard bookkeeping practices.

5. Application

- (a) Application for financial assistance must include:
 - (i) Proof of a valid commercial fishery license;
 - (ii) Proof of volumes of fish sold;
 - (iii) Employment data; and
 - (iv) Any other information deemed necessary.
- (b) Great Slave Lake Fishermen who market their fish through the Freshwater Fish Marketing Corporation will apply for financial assistance to:
 - (i) Deputy Minister
Department of Industry, Tourism and Investment, Government of the Northwest Territories.
 - (ii) All others will apply to the nearest:
Area Renewable Resource Officer, Department of Industry, Tourism and Investment, Government of the Northwest Territories.