



STRATEGIC INVESTMENTS PROGRAM GUIDELINES NUNAVUT EQUITY INVESTMENTS FUND (SCHEDULE A)

A. What is the purpose of the Nunavut Equity Investments Fund?

The purpose of the Nunavut Equity Investments Fund (NEIF) is to encourage private investment in new or expanding **Nunavut businesses** as a means of creating new jobs and diversifying the economy. The NEIF provides equity investments to small and medium-sized businesses in strategic growth sectors with emphasis on mining exploration and mineral development, tourism, cultural industries, and fishery development and diversification.

Funds are provided to complement funding from conventional sources where a need has been demonstrated. The funding is also intended to increase the capital base of businesses allowing them to lever new private-sector investments.

B. What are the Investment Criteria for the Nunavut Equity Investments Fund?

The Department of Economic Development & Transportation has a number of investment criteria that are used to evaluate the suitability of each project proposal that is submitted for funding. The business applying must demonstrate:

- leveraged funding including client commitment;
- market potential;
- strong experienced management;
- net economic benefit and job creation;
- the potential for viability, sustainability and growth;
- that it is unable to obtain sufficient funding under reasonable terms and conditions from conventional sources; and,
- that the funding support is essential to the success of the business.

C. What are Strategic Objectives of the Equity Investments Fund?

The objective of the NEIF is to diversify and enhance the economies of Nunavut communities. NEIF capitalizes on the opportunities and strengths that exist in communities to:

- develop competitive, productive, strategic industry sectors;

- strengthen community infrastructure in communities; and,
- invest in projects that enhance a business' capacity to overcome financing challenges and take advantage of their strengths, assets and opportunities presented.

D. Application Process

- Step One: Contact the Department to ensure your project concept is eligible for consideration.
- Step Two: Create a business plan. Outline your objectives, scope, deliverables, outcomes, timeframe, costs and performance targets.
- Step Three: Complete the application form and ensure your proposal includes all the information requested.
- Step Four: Submit your completed and **signed** application form, proposal and/or business plan to the Department.

Applications may be submitted in Inuktitut, Inuinnaqtun, English or French. Applications must be submitted in writing, and delivered by mail, personal delivery, fax, or email.

There is no application deadline

E. Eligible Applicants

A "Nunavut Business" which is an enterprise carrying on business or otherwise conducting operations in Nunavut that is registered under Section 23 of *Nunavummi Nangminiqagtunik Ikajuuti (NNI) Policy* and which complies with the legal requirements to carry on business in the Nunavut, meaning that it is either a:

- corporation registered and in good standing under the *NNI Policy*; or
- co-operative association in good standing under the *Co-operative Associations Act*; or
- partnership or sole proprietorship duly registered and in good standing with a Nunavut municipality or the Department of Justice, Legal Registries Division and a holder of a valid Nunavut business license; or
- corporation, without share capital, and in good standing that has been incorporated under Part 2 of the *Canada Corporations Act*.

F. Eligible Activities

Under the management of the Department of Economic Development & Transportation, the purpose of the program is to provide a contribution to

businesses that can seize emerging opportunities within the territorial economy. Assistance is available for:

- the construction or acquisition of a building;
- machinery and equipment needed for the project;
- working capital requirements related to an establishment or expansion project;
- site improvements required for the project;
- leasehold improvements required for the project;
- intangible assets such as patents, trademarks and licenses; and
- start-up costs such as insurance and interest capitalized during construction.

Consideration will be given to the following:

- initiatives linked to sectors identified as priorities;
- initiatives that build upon innovation and technology;
- initiatives that focus on small business growth and expansion;
- initiatives that focus on industrial diversification; and,
- initiatives that assist with the removal of barriers to business development and growth.

G. Financial Assistance

The department may provide direct financial assistance to eligible applicants for the purpose of undertaking eligible projects. The minimum assistance available is a \$100,000 contribution towards equity investment that must be matched by the applicant with their own equity.

Assistance will be provided in accordance with the Government of Nunavut *Financial Administration Act*. Assistance levels will be determined on a case by case basis.

H. Measurement

Each project must demonstrate the possibility of producing at least one of the following measurable results:

1. **Long term, sustainable growth** – projects should generate new, incremental activities on a sustainable and long term basis.

2. **Job Creation** – projects should create long term, sustainable jobs or demonstrate a clear link to future commercial activity which will result in job creation.
3. **Economic Diversification** – projects should generate new start-ups in designated sectors or generate new, incremental direct investments.

I. Program Monitoring and Evaluation

All initiatives approved by the department will be evaluated using established assessment criteria and will be subject to on-going results monitoring based on an established set of investment considerations and results targets.

J. Contact Information

For more information on this program, please contact:

Department of Economic Development & Transportation

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