

Government of Nunavut (GN)
Department of Economic Development and Transportation (EDT)
COVID-19 Business Recovery Plan

Final Report
May 11th, 2021



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1. Executive Summary

Throughout the COVID-19 pandemic, the Government of Nunavut (GN) has worked across all departments and agencies to ensure coordinated actions to support Nunavummiut.

, The Department of Economic Development and Transportation (EDT) has played a lead role in delivering the Business Recovery Programs available to Nunavut businesses and entrepreneurs as part of the GN's overall response.

This report summarizes some of the work that has been undertaken since the onset of the COVID-19 pandemic in March 2020.

It is important to note that EDT's support for Nunavut businesses and entrepreneurs will continue as long as required by the pandemic.

Most recently, this includes EDT's third intake of the department's Small Business Support Program (SBSP). The SBSP provides funding for small businesses in Nunavut that continues to be adversely affected by the COVID-19 pandemic. Non-repayable funding of up to \$5,000 is available to subsidize eligible business expenses, including insurance or licensing fees, office rentals, utilities, or non-refundable business expenses for goods that are unusable due to the pandemic.

Small businesses varying from artists, craftspeople, retailers, tourism operators, and harvesters can apply. Eligible applicants are businesses or entrepreneurs with less than \$500,000 in gross sales or fewer than ten employees are eligible for funding.

Applicants must submit a completed application package that includes:

- Small Business Support Program Relief Form
- Small Business Support Program Application Form
- A short explanation of how the business has been affected by the pandemic.



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Copies of the SBSP application form are available from local Community Economic Development Officers (CEDOs) in all official languages.



2. Background

Immediately following the onset of the health emergency, Deputy Ministers from across the Government of Nunavut (GN) created an Economic Measures Task Force to centralize the coordination of economic issues and potential measures to be taken in response to the COVID-19 pandemic.

The Terms of Reference for this Task Force is included in *Appendix A*.

Sector-specific working groups were created to engage stakeholders and the public in addressing the impacts of COVID-19.

These Working Groups included:

- Mining and exploration
- Tourism, travel, hospitality, and cultural industries
- Fisheries
- Small Business
- Supply Chain
- Communities
- Sealift & Transportation
- Construction

Within a few months, the DM Economic Measures Task Force was folded into the GN's regular executive-level governance structure (i.e., Sustainable Development Committee (SDC)) to continue to monitor and coordinate ongoing economic reopening and recovery planning internal to the GN.

Some of the Working Groups continue to meet on a regular or ad hoc basis as required. Two of the Working Groups produced final reports – the Tourism Working Group and the Small Business Working Group. These reports are referenced in Appendixes B and C.



Support for Nunavut businesses and entrepreneurs can be distinguished between two phases of work. Phase One was about the immediate program adaptation to address the impact of COVID-19. This work is largely complete and is the primary subject of this report. Phase Two is about the longer-term plans to streamline and improve program policies and delivery mechanisms to ensure Nunavut businesses and entrepreneurs are supported. This work is ongoing and is being undertaken as part of the renewal of the Economic Development Strategy for Nunavut, which is a key business plan priority for 2021-22.

Phase One

Phase One included recommendations to the DM Economic Measures Task Force from the working groups and focused on support for:

- Transportation and the supply chain
- Inuit labour
- Businesses and entrepreneurs, including tourism operators and artists, through grants and other supports from:
 - the Small Business Support Program (SBSP)
 - the Regional Relief and Recovery Fund (RRRF), and
 - the Community Tourism and Cultural Industries (CTCI) Program.

Planning around economic recovery was informed by the framework provided in *Nunavut's Path: Moving Forward During COVID-19* guidance issued by the CPHO. In terms of workplace safety for various sectors and actors within these sectors, guidance was provided by the Workers' Safety and Compensation Commission (WSCC). Employers were and continue to be responsible to conduct workplace risk assessments in the context of workplace safety best practices concerning COVID-19. The GN coordinates with the WSCC on disseminating information and providing information sessions to interested parties on conducting workplace hazard risk assessment and worker safety assessments.

As the CPHO makes decisions that have economic impacts, these decisions are guided by several factors including:



1. Status of transmission of COVID-19 in the territory
2. Status of in-territory testing capacity
3. Current health system capacity
4. Transmission and cases levels in our most common travel destinations in Canada (Northwest Territories, Alberta, Manitoba, Quebec, and Ontario), and the possibility of spread to multiple locations within Nunavut
5. Current evidence available
6. Assessment of risk of each measure

The primary role of the CPHO is mitigating the risk of people bringing COVID-19 into Nunavut. These mitigations are implemented in the form of public health orders and/or restrictions.

Phase Two

Phase Two includes strategies and actions to support economic recovery and growth for implementation after the COVID-19 public health emergency is over. It will be outlined as part of EDT's updated Economic Development Strategy for Nunavut, which will be finalized following the territorial election in the fall of 2021. Among other things, it is expected that the renewed strategy will focus on training and employment for Nunavummiut as well as streamlined and targeted supports for businesses and entrepreneurs that are easier to access.

Please note: Support for businesses and entrepreneurs that was provided throughout Phase One programs will continue until the public health emergency is over. More information is available through EDT's regional support offices.



3. Impact of COVID-19 on Nunavut's Economy

The COVID-19 pandemic has severely impacted Nunavut's economy in the tourism and mining industries. However, as the Conference Board of Canada noted in its October 2020 review of the impact of COVID-19 on Nunavut's economy, the economic outlook for Nunavut is favourable, even in the face of the pandemic.¹

The territory's mining sector has remained mostly intact during the crisis. In 2019, gold production began at Agnico Eagle's Amaruq satellite deposit at the company's Meadowbank complex. The company began producing gold at its Meliadine mine as well, an operation that has more potential than the Meadowbank site. Overall, Agnico Eagle's gold production will propel Nunavut's economy in the short term, with the Conference Board's baseline forecast anticipating an 11.6 per cent gain in 2021.

The other sector affected by the pandemic is tourism. A Travel Nunavut survey found that sales decreased by more than 50% for one in four tourism businesses in the first three months of 2020 compared to 2019, and more than 38% experienced a decrease of at least 25%. Challenges that are unique to Nunavut will make it harder for territorial tourism to recover, including small local populations that are largely capable of undertaking the types of excursions typically offered by tourism operators to visitors.

Overall, the Conference Board predicts that Nunavut's economy will expand 13.2 per cent in 2021, which would mark the territory's sixth consecutive year of economic growth above 5.0 per cent.

For labour markets, the Government of Canada's Labour Market Bulletin from January 2021 anticipates a 4.7 per cent loss in the territory's employment.

¹ Conference Board of Canada, [The Impact of COVID-19 on Canada's Territorial Economies](#), October 30, 2020



**Northwest Territories, Nunavut and Yukon Monthly Labour Force
Statistics, by Economic Region**

Seasonally Adjusted Data	Employment			Unemployment Rate		
	January 2021 ('000)	January 2020 ('000)	Yearly Variation (%)	January 2021 (%)	January 2020 (%)	Yearly Variation (% points)
Territories*	56.8	57.9	-1.9	6.0	7.8	-1.8
Northwest Territories	22.8	22.3	2.2	5.8	7.9	-2.1
Nunavut	12.1	12.7	-4.7	7.1	13.2	-6.1
Yukon	21.9	22.9	-4.4	5.6	4.6	1.0

* Combined data - three month moving average

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey Table 14-10-0292-01 (formerly CANSIM 282-0100)



4. Government of Nunavut Economic Measures Task Force

On March 18, 2020, the Minister of Health declared a Public Health Emergency in Nunavut and announced the following measures to slow the spread of the virus:

- Non-essential public servants to work from home
- Travellers arriving in Nunavut after March 15th became required to self-isolate for 14 days
- Enhanced social distancing measures

These steps were in addition to measures such as limiting non-essential intercommunity travel, school closures, and banning group gatherings and events.

Immediately following the onset of the health emergency, Deputy Ministers from across the GN created an Economic Measures Task Force to centralize the coordination of economic issues and potential measures to be taken in response to the COVID-19 pandemic.²

The Economic Measures Task Force was chaired by EDT and included Finance, CGS, and QEC. The mandate of the Task Force was to develop a plan that guided the GN's coordinated response to the economic impact of COVID-19 and addressed and mitigated the potential damage of the pandemic to Nunavut's economy. To do this, it monitored the ongoing and expected economic impacts of COVID-19 and researched and developed options related to the financial impacts and necessary

² Other GN Task Forces developed to help address issues related to the pandemic included:

- Human Resources – Chaired by HR and be comprised of Finance, EIA, Health, CGS and HR to provide a place to consider workplace accommodations and social distancing measures for those that are required to be in the workplace. It was charged with implementing ICS recommendations and orders within the workplace including ensuring that GN employees working from home have proper IT support.
- Social Impacts – Chaired by Family Services and comprised of Quality of Life, Education, NAC, NHC, CH, Justice, Health and EIA to consider measures that may be required to support vulnerable populations particularly impacted by the pandemic.



supports, and other financial relief measures that may be available to small businesses and individuals.

The Economic Measures Task Force made specific recommendations focused on support for:

- Transportation and the supply chain
- Inuit labour
- Businesses and entrepreneurs, including tourism operators and artists, through grants and other supports from:
 - the Small Business Contribution Program (SBCP)
 - the Regional Relief and Recovery Fund (RRRF), and
 - the Community Tourism and Cultural Industries (CTCI) Program.

Transportation and Supply Chain

Nunavut's economy is solely dependent on air transportation. With flight frequencies down to a bare minimum in the early days of the pandemic, EDT worked closely with the airlines to maintain basic scheduling and to help keep the industry operating. It facilitated financial support for the airline sector in partnership with EIA and CGS. The result was that airports continued to operate in all 25 communities with very little interruption.

EDT undertook daily monitoring of Nunavut's supply chain. To ensure a sufficient supply of masks in the early days of COVID-19, EDT partnered with the Nunavut Development Corporation (NDC) to help produce and distribute reusable masks for use in the communities and isolation hubs. The project created direct income for 45 seamstresses in the communities of Arviat, Rankin Inlet, Chesterfield Inlet, Taloyoak, and Pangnirtung. Seamstresses in Arviat also sewed 80 reusable gowns for the General Hospital in Iqaluit.

In advance of the 2020 sealift, work was undertaken with public health, federal agencies, and shipping companies to develop detailed procedures to minimize the risk of introducing COVID-19 through the sealift and resupply. These precautions included preventative measures for crews leading up to and during their voyage to



Nunavut as well as detailed instructions on the handling of dry cargo between ship and shore.

Support for Inuit Labour

The government is the largest employer in Nunavut, it was not expected that there would be widespread layoffs in the local labour market. Nevertheless, the Economic Recovery Task Force monitored unemployment data and collected and shared information about the income support programs that Nunavummiut had access to, including: Employment Insurance (EI) and the Canada Emergency Response Benefit (CERB) through the federal government; the Income Assistance Program through Family Services; and grants to elders through the RIAs.

Early in the pandemic, EDT worked closely with the mining industry concerning their planning and operational response to COVID-19. Operational mines demobilized their Nunavummiut workforce, with compensation, in mid-March 2020 to help protect communities and employees and limit the risk of transmitting the virus to remote communities. Nunavut's medical and health infrastructure are at high risk as there are limited remedial controls to manage any level of infection which, influenced the mines' approach of sending Nunavummiut employees home with compensation. Employees have been at home with standby pay and full group benefits.

EDT, the Chief Public Health Officer (CPHO), and the industry are working together to develop a plan for the re-integration of the Nunavut labour force into mining operations.

Support for Businesses and Entrepreneurs

Throughout the pandemic, support for businesses and entrepreneurs has been mainly provided through the Small Business Support Program (SBSP), which provides \$5,000 in relief for artists, retailers, tourism operators, and other small businesses, and the Regional Relief and Recovery Fund (RRRF), which is delivered via the Community Futures organizations with support from EDT.



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- **Small Business Support Program (SBSP)** - As of March 31st, 2020, 152 small business were approved totalling just over \$650,000. New applications continuing to come in. EDT recently announced a third intake for up to an additional \$5,000 per business. The total allocation of \$1.6M for this program is expected to be fully utilized.
- **Regional Relief and Recovery Fund (RRRF)** - EDT partnered with the Government of Canada and the Nunavut Community Futures Association to provide direct support to Nunavut businesses impacted by COVID-19. Through this program, a loan fund in the amount of \$3,933,000 was created for eligible businesses to access up to \$100,000. Loans are interest-free and partially forgivable. As of December 31, 2020, 21 applications totalling \$1,490,000 have also been approved through the RRRF, with 223 jobs directly affected by the funding support.

GN Department of Economic Development & Transportation

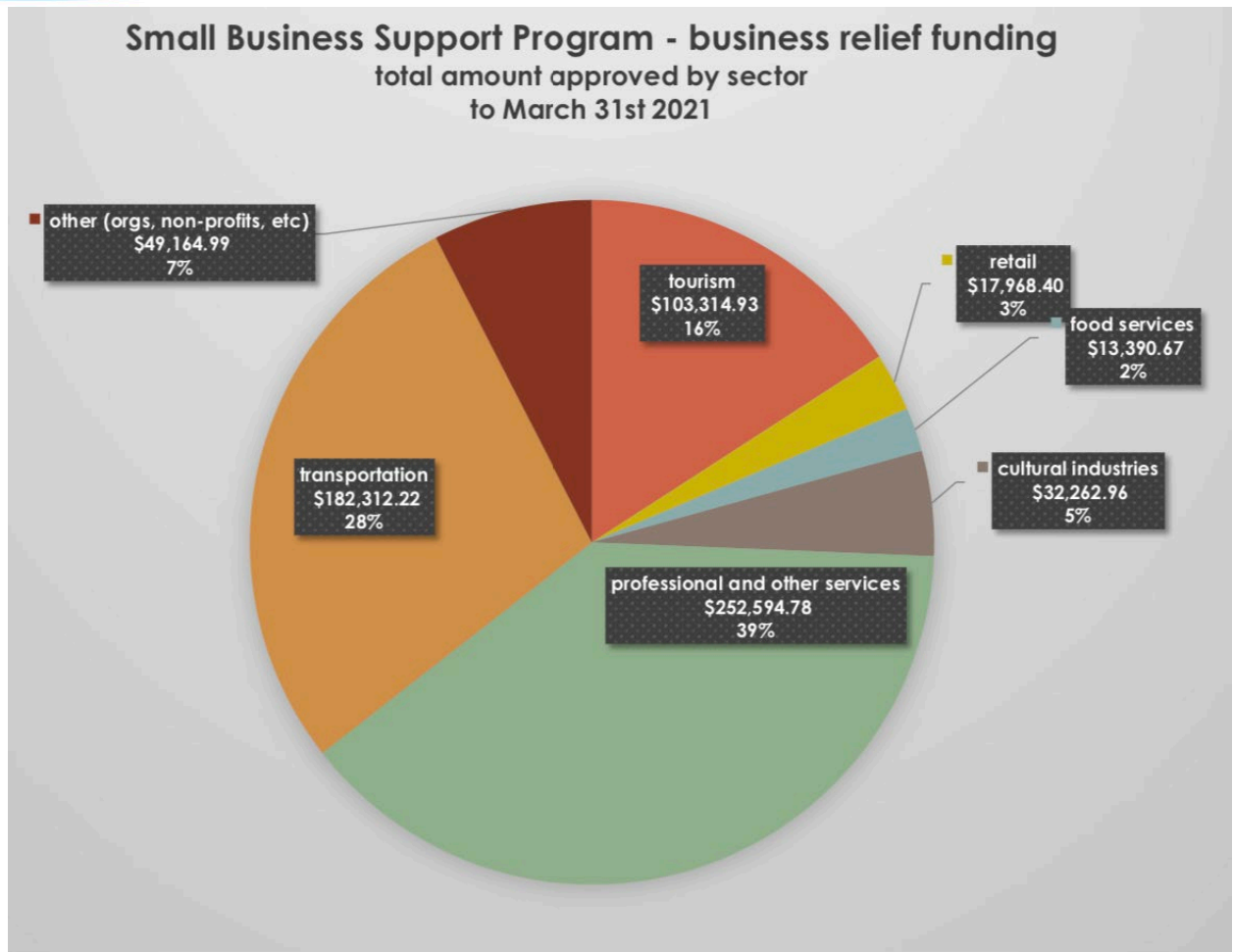
Small Business Support Program - business relief

update: March 31st 2021

SUMMARY

region	# of applications received	amount requested	# of applications approved	amount approved	# of applications still pending
Kivalliq	44	\$190,952.62	32	\$130,412.29	0
Kitikmeot	27	\$112,161.59	22	\$102,161.59	0
North Qikiqtaaluk	7	\$27,481.25	4	\$7,761.23	0
South Qikiqtaaluk	121	\$812,098.91	94	\$410,673.84	0
TOTALS	199	\$1,142,694.37	152	\$651,008.95	0

by sector	# of applications approved	total amount approved
tourism	23	\$ 103,314.93
retail	4	\$ 17,968.40
food services	3	\$ 13,390.67
cultural industries	7	\$ 32,262.96
professional and other services	59	\$ 252,594.78
transportation	46	\$ 182,312.22
other (orgs, non-profits, etc)	10	\$ 49,164.99
TOTALS	152	\$ 651,008.95



- **Community Tourism and Cultural Industries (CTCI)** - This program provides funding to eligible Nunavut municipalities, societies, businesses, artists, and artist organizations. In July 2020, the CTCI program launched the Nunavut Public Art Initiative to provide an additional \$400,000 in funding and opportunities to Nunavut artists during the COVID-19 pandemic. In December 2020, an additional \$200,000 was allocated to CTCI to further support additional Tourism and Cultural Industries projects.



5. Sector Impacts

The two sectors of Nunavut's economy that have been most affected by the pandemic include mining and tourism.

- Mining

Although the territory's mining sector has remained mostly intact during the crisis in terms of output and GDP, its labour market impact was affected given that the Nunavummiut workforce was demobilized with compensation in mid-March 2020.

Until confident that companies will help eliminate the potential of introducing COVID-19 into communities, employees from communities will not be flown to the site. AEM & Baffinland increased their testing capacity for COVID-19 on-site in an to minimize labour impacts as much as possible.

- Tourism

Due to territorial travel restrictions, no leisure travel occurred in the territory from February 2020 onward. As a result, training and development initiatives in the tourism sector ceased. Of all sectors in Nunavut affected by COVID-19, it is expected that tourism will take the longest to recover.

The Nunavut Travel Industry before COVID-19 had an annual economic impact in the Nunavut economy of over \$300 million and employed over 3,000 full and part-time employees.



A recent survey of the industry found that:

- Nearly 1 in 4 businesses experienced a decrease of more than 50% in sales revenue in the first 3 months of 2020 compared to the same period in 2019. Over 38% experienced a decrease of over 25%.
- In the first quarter, 41% of the members laid off some people and another third reduced the hours of work for employees. 75% of owners believe there's the risk of them closing temporarily in the 2nd Quarter. Unfortunately, 13% think there's a risk of closing permanently. In the first 3 months of 2020, 77 % of respondents reported a decrease in sales.
- 74% responded they require Government assistance to continue operations or have a chance of restarting operations after the COVID-19 virus crisis is over.

In June 2020, the GN developed a Tourism Resiliency document to provide detailed guidance for this sector. A summary version of this document is included in *Appendix B*.

Through its business development programs and services, EDT is committed to supporting the over 100 tourism operators that exist in Nunavut to adapt to significantly reduced demand.

Other sectors impacted by COVID-19 include:

- *Traditional Economy (Arts & Cultural Industries)*

As the tourism sector, with the implementation of travel restrictions, it's foreseeable that opportunities for artists and artisans to sell wares are reduced. As such, going forward, the impacts of COVID-19 are being considered for ongoing work to update Nunavut's Cultural Industries Strategy.



To support this sector during COVID-19, EDT reallocated \$400K to the Community Tourism and Cultural Industries (CTCI) program to fund the Nunavut Public Arts Initiative, a new effort to support public art projects in the communities. Examples of some of the initiatives include Friday night online concerts through Alianait and producing culturally relevant material for use in the isolation hubs.

EDT removed the \$200K CTCI program cap on art equipment and supplies, allowing more artists can apply for and receive direct support for the purchase of equipment and supplies to produce and sell art. As well, It EDT re-allocated an additional \$200K in funding to directly support artists in accessing 'arts equipment and supplies' under CTCI. To encourage uptake, application deadlines were also adjusted.

As part of Phase Two and the lead-up to the renewed Economic Development Strategy, EDT is reviewing options for streamlined and targeted supports for artists that are easier to access.

- *Fishing Industry*

The fishing industry is considered an essential service, so there was minimal disruption during COVID-19. In Nunavut, the estimated annual landed value of stocks are:

- \$160M for Turbot (DFO unpublished)
- \$30M for Shrimp (DFO unpublished)
- No data available for Arctic Char and Seal though these species are integral to Nunavut's traditional harvesting economy

A crew from Nunavut may be discouraged to join the fishery this year due to the mandatory monitored isolation to return to the territory.

- *Construction*



To minimize disruption in the construction sector, the GN, primarily through CGS, undertook preparations for construction projects to proceed during summer and fall 2020 in 19 Nunavut communities. This included over 50 capital projects valued at approximately \$600 million.

Nunavut has a relatively short construction season and depends heavily on skilled labour from outside the territory. As such, the public health directive requiring mandatory 14-day isolation presented a significant challenge for the capital projects planned for the construction season. To ensure important community projects could continue, CGS worked with the CPHO to ensure that all southern workers complied with the strict 14-day isolation period required before travelling to Nunavut.

Early in the pandemic, some mayors and councils expressed concerns about the COVID-19 risks presented by non-resident workers living and working in their communities during the pandemic. Each municipal council was given the option to defer these projects until a later date. With few exceptions, municipalities expressed their support for the GN to proceed with these critical projects this summer with the provision that all workers comply with the directives of the CPHO at that time (e.g., complete a mandatory 14-day isolation period).

The overall impact of the COVID-19 public health crisis on infrastructure project delivery in the territory will be analyzed to determine if there will be any challenges meeting the current project deadlines outlined in federal-territorial funding agreements.



6. Conclusion

This report – the GN’s COVID-19 Business Recovery Plan – summarizes some of the work that has been undertaken since the onset of the COVID-19 pandemic.

It is an amalgamation and summary of the various reports and briefing notes that have been developed since March 2020.

Although the immediate health emergency posed by COVID-19 is not yet over, planning has shifted from the immediate business response required to developing a longer-term vision for economic recovery and growth.

Renewing the Economic Development Strategy for Nunavut is a commitment outlined in EDT’s Business Plan. The Strategy will be renewed based on a review and analysis of EDT’s current programs and services intended to support Nunavut’s economy. It will also be monitored and updated on an ongoing basis to ensure that the content is current.

The goal is to ensure that lessons learned throughout the pandemic are integrated into updated policy and operations so that the programs that support Nunavut’s economic and business development priorities are applicant-focussed and easy to access.



APPENDIX A

Government of Nunavut Economic Measures Task Force Terms of Reference

1. Introduction

As issues will continue to arise with the rapidly changing COVID-19 public health emergency, the Government of Nunavut has identified a need for a centralized and coordinated senior management committee to address and respond to these issues with immediacy.

2. Purpose

- 2.1. The purpose of the Economy Task Force (the 'Task Force' or 'Committee' or 'group') is to provide a centralized, coordinated and focused approach to address economic impacts and issues that may arise during the public health crisis stemming from the COVID-19 pandemic.
- 2.2. The Committee will focus on strategies for long-term economic recovery from the crisis, including examining what efforts are required to support Nunavut's economy during and after the COVID-19 public health crisis.
- 2.3. The Committee will also interact with industry to quantify and address economic impacts and issues.
- 2.4. This group will work with Regional Inuit Association, Nunavut Tunngavik Inc. and federal partners on support programs and funding assistance as both issues, and opportunities arise.

3. Composition

- 3.1. The Committee will be comprised of Deputy Ministers and Executives from:
 - Department of Economic Development & Transportation
 - Department of Finance
 - Department of Community & Government Services



- Qulliq Energy Corporation

3.2. EDT will Chair the Committee

3.3. A team of departmental officials will be appointed by their respective deputy ministers to support the efforts of the Committee

3.4. The Avatiliriniq Coordinator will provide secretarial support to the Committee

4. Function

4.1. The Committee will function as a forum for discussion, collaboration, and decision-making to support the Government in its management and response to the COVID-19 public health crisis with a focus on economic impacts, economic monitoring, and interacting with industry affected by the crisis

4.2. The Committee will inventory, and track issues, supports, and GN responses to understand what supports have been implemented and identify and quantify additional supports required to protect Nunavut's economy during the pandemic

4.3. To interact with RIAs, NTI, industry, the federal government, to identify sources of funding

5. Meetings

5.1. The Committee will meet on Tuesday and Thursday mornings at 11:00 am

5.2. Meetings will be mainly held by teleconference during the COVID-19 crisis

5.3. In-person meetings in the future may occur as work arrangements change

6. Issues Tracking

6.1. The Avatiliriniq Coordinator will track discussion, issues, and progress with to organize and coordinate the activity of the Committee



7. Recommendations & Decision Making

7.1. The Committee will endeavour to collaborate and build consensus on solutions to economic issues emergent from the COVID-19 pandemic

8. Costs and Resources

8.1. Committee members/departments will be responsible for their costs to participate in meetings.



APPENDIX B

Government of Nunavut Tourism Resiliency Plan





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THE PHASED PATHWAY TO RECOVERY					June 9, 2020
	RESPONSE	→	RECOVERY	→	RESILIENCY
TIMING	Now - Mid July		Mid July - Border reopening		Border reopening (est: March 2021)
OBJECTIVE	Mitigate losses of the industry as much as possible and ensure there is ongoing support. Clear and ongoing communication with partners and the industry.		While ensuring the health risks to Nunavummiut remain under control, ensure tourism businesses can reopen in a safe and phased manner that is reflective of the desires of each community.		Rebuild the Nunavut tourism sector by promoting opportunities for visitors, across all segments of sector, e.g Packages, Cruise, Meetings & conferences
ACTIVITIES		→		→	
• MARKETING	• Destination awareness marketing, Digital Only		• Marketing of local and regional markets of product offerings. Continued awareness marketing for international markets.		• Resume full marketing initiatives as per usual, with an increased focus on high yield markets
• RESEARCH	• COVID-19 Impacts to industry, Community Sentiment (this needs to be ongoing) • Local Product development research		• Continued Community Sentiment assessment to return of visitors and tourism activities. • Environics target market research • Traveller sentiment in the target markets • Assessment of competition and their reopening post COVID.		• Community sentiment to assess concerns. • Assessment of visitation by sector, geography and spend. • Assessment of product offerings still available • Assessment of "new" potential markets, growth markets and value for different sectors.
• ADVOCACY	• Skills assessment of operators that can be applied to other industries during recovery including using operators for SAR, to conduct research and provide training to other sectors.		• Contact travel trade to ensure Nunavut products are included in 2021-22 offerings. • Work with Finance and Revenue Canada to ensure travel benefits used within the territory ret the same taxable benefits. • Find ways for major employers who have IQ days to work exclusively with tourism operators.		
• FINANCIAL SUPPORT	• Relief funding from GN, Inuit Orgs and Federal Governments to mitigate the impact to businesses through wage supports and business funding		• Incentives to Nunavummiut to book a tour with Nunavut operators.		
• PRODUCT DEVELOPMENT & SUPPORT	• Clarify and provide support for new health and safety measures as a result of COVID-19. Provide training to businesses related to new health and safety measures.		• Prepare for the return of tourists through community beautification initiatives that can be led by tourism operators. • Working with the airlines to ensure packaging for the in territory marketing has affordable airfare		• Marketing support for businesses - Support for Destination marketing from Destination Canada • Product packaging support that benefits operators for various sizes.
• TRAINING	• Marketing in times of crisis		• Product diversification, Packaging and pricing, Market and Export ready standards		• Skills development for new staff or reprofiled positions • Community training for the CBST model
• CRUISE SUPPORT	• Fully assess the economic impact of the loss of the season • including direct and indirect.		• Begin lobbying of the federal government to provide exceptions for Nunavut's cruise industry for the 2021 season so that planning can begin		
• OTHER/ GENERAL	• Establishment of Tourism Task force to guide recovery		• Revisit the 5 year strategy to align with current realities		• Marketing plan updated



APPENDIX C

Working Group on Small Business

**INDUSTRY
SECTOR
WORKING
GROUP ON
SMALL BUSINESS**

ACTION PLAN

UPDATE

March 26, 2021

Introduction

The Industry Sector Working Group on Small Business was created in June 2020 to allow input into Nunavut's response to the COVID Pandemic. The membership organisations and representatives are listed on the next page.

The group met biweekly by teleconference, with the minutes distributed after each meeting to the membership and to the Assistant Deputy Minister of the Department of Economic Development and Transportation, Government of Nunavut.

The biweekly meetings included a round table update from the membership organisations regarding COVID relief funding programs and other items. Concerns, comments, ideas, and suggestions were also discussed and communicated upwards through the meeting minutes.

Several guest speakers were also invited to specific meetings. These included the Chief Medical Officer, Nunavut Arctic College and Family Services (Trades) as well as the chairs from other working groups. These other working groups were Tourism and Traditional Industries (combined), Mining and Fisheries.

The group decided that an Action Plan summarising our discussions and recommendations would be a suitable product of our working group, as we near the beginning of a new fiscal year. This document was that action plan (March 1, 2021) and has been updated to include current status and provide greater refinement of timelines. The updates are in red.

Working Group Membership

Member Organisation	Representative
EDT – GN	David Boyle
EDT – GN	Jonathan Case
EDT – GN	Gladys Joudrey
EDT - GN	David Fredlund
CanNor	Shaun Lewis
Nunavut Tunngavik Incorporated	Evie Egeesjak
Nunavut Tunngavik Incorporated	Travis Cooper
Nunavut Tunngavik Incorporated	Brad Hicks
Kitikmeot Inuit Association	Derek Elias
Kitikmeot Inuit Association	Paul Emingak
Kivalliq Inuit Association	Kristof Karcza
Kakivak	James Paton

Kakivak	Paul Compton
Kakivak	Glenn Cousins
Nunavut Economic Developers Association	Bill Williams
Kitikmeot Community Futures Inc.	Marg Epp
Baffin Business Development Corporation	Valerie Kosmenko
Nunavut Chambers of Commerce	Shaun Lester
Kitikmeot Chambers of Commerce	Valter Botelho-Resendes/Marg Epp
Kivalliq Chambers of Commerce	Patrick Tagoona
Baffin Regional Chambers of Commerce	Hudson Lester/ Chris West
Iqaluit City Chambers of Commerce	Robynn Pavia

Abbreviations and Notes

CanNor – Canadian Northern Economic Development Agency
EDT – Department of Economic Development and Transportation, Government of Nunavut
GN – Government of Nunavut
NAC – Nunavut Arctic College
NBCC - Nunavut Business Credit Corporation
NCFA – Nunavut Community Futures Association and its member organisations (Kitikmeot Community Futures Incorporated and Baffin Business Development Corporation)
NDC – Nunavut Development Corporation

Working Group Recommendations

#	Issue	Recommendation	Responsibility ¹	Timing	Update
1	Businesses are having difficulty accessing funds for non-COVID relief purposes (start up, expansion, marketing, etc) due to the high uptake and amounts committed to business relief.	Add more funds to agency budgets. This will be especially important as the recovery phase continues.	EDT CanNor Inuit Organisations	Fiscal year 2021/22	Communicated upwards
2	Businesses are concerned about the level of cash equity required to access funding programs because COVID has negatively impacted business cash balances.	Remove or reduce equity requirements. This will be especially important as the recovery phase continues.	EDT CanNor Inuit Organisations	Fiscal year 2021/22	Some flexibility with sweat equity in some cases and/or partial offset with RIO funds for Inuit firms.

3	Some businesses are having difficulty accessing business relief funding because of the requirement to have up to date bookkeeping/ financial statements.	Temporary increase flexibility of agency fund delivery.	EDT CanNor Inuit Organisations	Fiscal year 2021/22	One time funding to setup books/bring into compliance may be possible. Bookkeeping training funding also possible. CESO another possibility. Ongoing operational funding not possible.
		One-time funding for accounting/ bookkeeping should be approved where possible, under after care/ recovery plan.	EDT Inuit Organisations	Fiscal year 2021/22	
4	There is a need for tradespeople to be included in the definition of essential workers during winter months. Quarantine delays of tradespeople such as electricians and oil burner mechanics will be less forgiving at temperatures below zero.	Tradespeople should be considered as essential workers if damage to buildings could occur from delay.	Chief Medical Officer	Winter Months	This is still important whilst the cold winter weather remains.



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5	CGS construction tenders now require a 50% performance bond. Before there was a 10% bid bond that rolled into the performance bond. This is effectively limiting the ability of Nunavut businesses, especially cash strapped due to COVID, from bidding on construction projects.	Reduce bid deposit size to allow cash-strapped Nunavut based companies to bid on construction projects.	CGS – Infrastructure	Fiscal year 2021/22	This is still recognised as an issue. Lobbying effort required by Construction Association, Chambers of Commerce, Community Futures, NBCC.
6	Need to identify funding gaps in existing programs so certain clients and industry are not slipping through.	Survey businesses to determine assistance required	Chambers of Commerce	ASAP	ITK doing a survey. But need focussed survey to find funding gaps. What eligibility criteria was the issue?
7	Information on funding is scattered and not easily available.	Produce a single plain language document that summarizes the programs and services available during COVID and how to access them.	EDT/ CanNor/ Inuit Organizations in collaboration.	End of April	Timing adjusted
		Make available in all four official languages.	GN – Culture and Heritage	End of May	Timing adjusted

		Document to be hosted on EDT website and updated quarterly	EDT-Communications	End of May + Quarterly updates	Timing adjusted
8	Businesses are having problems accessing federal funding programs. The information and particularly the financing requirements are daunting.	Ensure support is available for businesses to access Federal Programs.	CanNor Chambers NCFA Members	First Quarter Fiscal Year 2021/22	To discuss more when CanNor representative is present.
9	Businesses have seen a negative impact to revenues/cash flow and may have difficulty paying for sealift resupply orders. Many southern businesses and freight carriers are demanding full payment before purchase/delivery of goods. Working capital is needed before May/June (sealift cut-off).	Develop or expand existing programs to assist businesses with accessing working capital for sealift costs.	EDT CanNor Inuit Organizations	Mid April Fiscal Year 2021/22	
		Program for low interest loans/lines of credit	NBCC NDC NCFA members	Mid April Fiscal Year 2021/22	
		Transition RRRF program into working capital for this year	NCFA members CanNor EDT	Mid April Fiscal Year 2021/22	

#	Issue	Recommendation	Responsibility ¹	Timing	Update
10	Traditional economy (i.e., harvesters and artists) need support in purchasing equipment while wage economy is suffering.	<p>Review all funding programs, including HTO programs, and what is offered in the assistance of equipment, tools, and materials.</p> <p>Increase access/funding support to harvesters as it provides income while employment rates are down.</p>	EDT – CTCI Inuit Organizations ² HTOs	April 31 st Fiscal Year 2021/22	Not all communities applied for all CFDP funding. CTCI fully spent but no one declined. Some pushed to new fiscal. Some left from CFDP due to no gatherings
11	Hamlets are experiencing increased demand for water/sewer and solid waste management as COVID requires additional cleaning/sanitization.	Increase water/sewer and solid waste management funding for Hamlets to allow for increases to service. This will also create additional employment.	CGS – Community Development NAM	Fiscal Year 2021/22	Please see #16
12	Businesses are struggling with staying in business and meeting tax obligations.	<p>Deferral of payroll tax or look at return tax from last year</p> <p>Deferral of corporate income tax</p>	GN-Finance	Fiscal Year 2021/22	Minimal impacts to GN revenue
13	Businesses need faster access to funds and payments, and greater Contribution Agreement flexibility	Contribution Agreements and first payments should be available early in the new fiscal. Shorten turnaround times.	EDT CanNor Inuit Organizations ²	First Quarter Fiscal Year 2021/22	



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	Shorten the payment time for invoices to the GN allowing businesses and individuals to access cash flow quicker. GN to comply with 30-day term or shorten to 15 days.	GN – Finance	Fiscal Year 2021/22	
	Allow Hamlets, Small Business, and NGO's to either keep unspent contribution funds to be used in 2021/22 to be used under the approved activities of the original CA or enter into a new CA for the unspent portions.	EDT CanNor Inuit Organisations ²	Fiscal Year 2021/22	One CA can be closed and another opened. Likely that projects approved one year would be approved the next year.

		Faster dispersal of approved funding.	GN – Finance CanNor Inuit Organisations ²	Fiscal Year 2021/22	
14	Businesses were not prepared for financial hardship presented by COVID.	Provide guidance/ funding to businesses to plan for future black swan events.	NCFA members Chambers of Commerce	October Fiscal Year 2021/22	
		Investigate program funding for financial planning	EDT Inuit Organisations ²	Fiscal Year 2021/22	EDT has funding for financial planning training
15	Continue supporting local businesses.	Communicate priority of supporting local business.	GN CanNor Inuit Organisations ²	AS AP	
16	Businesses pay a much higher commercial rate for electricity than residential rates which are especially onerous during these economically challenging times.	Subsidise businesses for their electricity consumption making it the same as residential rate.	Nunavut Power Corporation GN - Finance	First Quarter Fiscal Year 2021/22	See #11
17	With travel restrictions extremely limiting tourism, artists have experienced a steep decline in sales, negatively impacting the economy.	Funding for privately operated Museums/ Visitor Centres to purchase art from local artists.	EDT NDC	Fiscal Year 2021/22	Arctic Coops Limited may be suitable vehicle.
18	Businesses paying for isolation for southern workers/contractors particularly in construction	Make a grant available for Northern contractors to offset the cost of isolation. Suggested value of \$700/day.	EDT CanNor	First Quarter Fiscal Year 2021/22	



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1 9	Need to position Nunavut to take advantage of the recovery phase and possible new opportunities, such as increased federal funding for infrastructure	Review reskilling/ upskilling to allow small business to take advantage of support service opportunities to larger federal projects	EDT NAC Family Services	Fis cal Yea r 202 1/2 2	
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