



# Funding Approval Policy

Coast Funds | Coast Economic Development Society

## INTRODUCTION

The purpose of this policy is to provide guidelines for Coast Economic Development Society's (the "economic development fund", the "Fund") funding approval process. The policy encapsulates the parameters contained in the governing documents as well as recommendations for best practices.

There is a separate policy for Coast Conservation Endowment Fund Foundation (the "conservation fund").

Definitions are in Appendix A.

## ECONOMIC DEVELOPMENT GOALS

The goal of the Economic Development Fund is to facilitate sustainable economic development by funding environmentally sound projects and businesses that will achieve the types of goals listed below:

1. Grow Participating First Nations' economic share of commercial activities, such as shellfish aquaculture, tourism, and cultural products;
2. Increase the number of businesses owned by First Nations communities or individuals living in the Project Area;
3. Increase investment in First Nations sustainable business partnerships (i.e., leverage);
4. Contribute towards a stable or increasing population in the project area and its communities;
5. Increase First Nations participation in, and contributions towards, the provincial economy;
6. Improve First Nations employment levels and decreasing unemployment rates;
7. Increase First Nations average annual incomes;
8. Increase the capacity of First Nations communities to realize sustainable economic development opportunities, including increased access to skills development / training; and
9. Enhance the economic infrastructure of the North and Central BC Coast to support First Nations businesses within the Project Area.

## FUND ALLOCATION

The allocation of the federal and provincial contributions to CEDS between the Participating First Nations is detailed in Appendix B.

## FUNDING APPROVAL PROCESS

Funding will support and empower First Nation communities through a highly collaborative process, reflecting the belief that sustainable change is achieved through partnership and empowerment, not prescriptive solutions.



## MINIMUM REQUIREMENTS

1. Eligible applicants include:
  - a. A Participating First Nation (PFN)
  - b. Delegated agent of a PFN
  - c. A entity wholly or partially owned by the PFN, and
  - d. Individual members of the PFN
2. All applications must be endorsed by the PFN Band Council or, in the case of an Economic Development Corporation (EDC) with delegated authority from the PFN Band Council for economic development, by the EDC's Board of Directors.
3. The endorsement must confirm the PFN (or Board of Directors) has conducted an evaluation of the project with results that favourably confirm the viability of the economic development benefits that will result from the activities to be conducted with the funding. Projects must further the Fund's Economic Development Goals.
4. Projects may not be for ineligible activities. Appendix C provides a list of ineligible activities.
5. Although projects will generally be located within the Project Area, projects outside of the Project Area will be allowed on the condition that they are directly and immediately linked to an economic outcome that benefits First Nation members in the traditional territory.
6. Projects must be environmentally sound and sustainable. The overall environmental impact of the project, including whether any use of natural resources involved will be reviewed. Economic development projects will ideally complement, and in any case must not be inconsistent with, the goal of conserving the integrity of ecosystems within the Project Area.
7. If funding is for a business, economic viability will be evaluated based on the submission of a comprehensive business plan and appropriate management in place to execute the plan.
8. If funding is for the development of infrastructure or business capacity, the project must have tangible and measurable benefits and appropriate management controls in place.
9. Projects must have appropriate technical assistance to ensure its success.
10. Projects must have received any required statutory permits or approvals.

## OTHER FUNDING CONSIDERATIONS

1. Applicants are strongly encouraged to utilize project commitments as leverage to attract additional funds from other sources.
2. Applicants are strongly encouraged to maximize the value of each funding approval dollar by developing projects with regional value, replicability if applicable, and efficiencies that will catalyze and strengthen regional cooperation, leverage regional resources and maximize regional access and inclusiveness.
3. Applicants are strongly encouraged to maximize the degree of positive environmental or social impact that will result from the project, directly and indirectly.
4. Multi-year funding commitments will be considered for projects, with disbursements made upon meeting pre-determined milestone targets.
5. Funding from the Economic Development Fund may also be used for planning and capacity development activities.



6. Applicants are encouraged to provide complete applications well in advance of the proposed commencement date for projects, to minimize the risk of incurring expenditure for a project that may not be approved. In exceptional circumstances the Board will approve retroactive funding for reasonable work plan expenditures incurred by applicants up to 3 months prior to the date the application is approved by the Board. In no event will funding be provided for expenditures incurred prior to the date a full and final application is submitted.
7. In general, applications for refinancing are not eligible for funding. However, the Board may at its discretion approve refinancing funding under exceptional circumstances.

## DEVELOPING PROJECT APPLICATIONS

### Project Concept

Staff will work closely with applicants from PFNs in the early stages of developing a project concept. Staff will confirm that a project concept meets the eligibility criteria to proceed to a full application. To determine a project's eligibility, applicants are encouraged to submit a Project Summary as early as possible during the project concept stage.

### Funding Application

Staff will develop and maintain application guidelines which are readily accessible to the First Nations. All project applications must include:

- i. Name of applicant First Nation or other organization or individual applying for the funding approval (in which case, name of the Participating First Nation that will endorse the application);
- ii. Funding request;
- iii. A brief description of the nature of the business, or if not a business, the goal of the project. In either case, an explanation of how it aligns with the economic development goals of the Fund;
- iv. If a business, a comprehensive business plan is required; and
- v. If not a business, explanation of the scope of work of the project, activities to be funded, along with specific deliverables of the work for which funding is being requested, and the project time period with start and end dates.

In some cases, significant resource constraints may limit a PFN's ability to develop an application. Funding from the CEDS resource and implementation support budget may be available, on a case by case basis to support the development of an application.



## REVIEW AND APPROVAL

Staff will work with the applicant throughout the review and approval process and expediently address any concerns regarding project eligibility and viability.

Recommendation for approval of all applications will be based on the following considerations:

- i. Meets all minimum requirements;
- ii. The project's viability and reasonable likelihood of success, with success measurements clearly defined. This evaluation should include the identification and evaluation of all relevant risks associated with the successful undertaking of the project; and
- iii. Whether the project presents notable opportunities or unacceptable risks for the Fund from a high level strategic, leveraging and relationship perspective.

Staff will provide the Project Review Committee and the Board with a recommendation to approve or decline the application. Recommendations will include:

- i. Key issues and considerations;
- ii. Conditions and estimated timeline for disbursement of funds; and
- iii. Interim and final reporting requirements.

If an application is not approved, due consideration will then be given to the feasibility of funding or otherwise facilitating the provision of technical support to the applicant for the purpose of enabling the re-submission of a successful application.

## MONITORING, REPORTING AND PROJECT EVALUATION

A funding agreement must be signed by CEDS and the applicant prior to disbursement of any funds. The funding agreement will address:

- i. Disbursements conditions and estimated timeline; and
- ii. Reporting requirements.

The applicant will be required to submit regular reports that demonstrate appropriate monitoring and evaluation including the degree of success in achieving stated objectives as presented in the final project application.

Staff will be responsible for monitoring compliance with the terms of the funding agreement and evaluating the outcomes of all funded projects.

### **Other**

A standardized procedural manual is followed by staff to ensure that consistent procedures are used for fair and equitable funding decisions.



# Appendix A

## DEFINITIONS

“Participating First Nation” means:

- i. For the purposes of the federal contribution to CEDS, a First Nation that has traditional territory within the Project Area; and
- ii. For the purposes of the provincial contribution to CEDS, a First Nation that has signed a Land Use Planning Agreement (LUPA) or treaty respecting some or all of its traditional territory, within the Project Area.

“Project Area” means the Central Coast and North Coast LRMP areas, the traditional territory of Haida Gwaii, and the portions of the traditional territory of the Haisla and the Gitga’at that are included in the South Kalum LRMP, all as outlined on the map attached to CIIA as Schedule C.

“Sustainable” means an activity that can be sustained over many years, without any significant adverse impacts on the environment and without diminishing the ability of other people, other species or future generations to survive and prosper.

# Appendix B

## FUND ALLOCATION

Schedule G Name	Schedule G	Unallocated Provincial Contribution	Nanwakolas Reallocation (Feb 2009)	Nisga'a Allocation to Villages	Excess	Ulkatcho	Excess	Gwawaenuk LUPA (March 2016)	Kwikwasut'inuxw Haxwa'mis LUPA (Nov 2019)	Total
	Public Funders Contribution (Nov 2008)				Earnings Allocation (Mar 2012)	LUPA Confirmed (Sep 2012)	Earnings Allocation (Mar 2013)			
Campbell River (Wei Wai Kum)	836,980				28,861		5,772			871,613
Cape Mudge (We Wai Kai)	244,285				8,424		1,685			254,394
Gitga'at	2,875,819				99,166		19,833			2,994,818
Council of the Haida Nation	10,679,433				368,256		73,651			11,121,340
Haisla	3,938,130				135,798		27,160			4,101,088
Heiltsuk	7,830,895				270,031		54,006			8,154,932
Homalko	830,367				28,633		5,727			864,727
Kitasoo	3,915,305				135,011		27,002			4,077,318
Kitkatla/Gitxaala	2,909,264				100,319		20,064			3,029,647
Kitseles	226,089				7,796		1,559			235,444
Lax Kw'alaams	4,075,037				140,519		28,104			4,243,660
Metlakatla	2,716,691				93,679		18,736			2,829,106
Nanawakolas	5,055,113		(5,055,113)							-
Kwiahah			421,391		14,531		2,906			438,828
Da'naxda'xw Awaetlala			1,039,955		35,861		7,172			1,082,988
Gwa'sala-Nakwaxda'xw			1,831,232		63,146		12,629			1,907,007
K'omoks			389,310		13,425		2,685			405,420
Mamallikulla-Que'Qwa-Sot'Em			786,747		27,129		5,426			819,302
Namgis			170,271		5,871		1,174			177,316
Tlowitsis			416,207		14,352		2,870			433,429
Nisga'a	2,180,445			(1,000,000)	75,188		15,038			1,270,671
Nisga'a Village of Gitlaxt'aamiks				250,000						250,000
Nisga'a Village of Ginglo				250,000						250,000
Nisga'a Village of Gitwinksihlkw				250,000						250,000
Nisga'a Village of Laxgalts'ap				250,000						250,000
Nuxalk	4,536,860				156,443		31,289			4,724,592
Wikinuxw	2,141,215				73,835		14,767			2,229,817
Ulkatcho	-					1,193,592	7,957			1,201,549
Gwawaenuk								301,362		301,362
Kwikwasut'inuxw Haxwa'mis									739,652	739,652
Gitanyow - Canada	6,311				218		44			6,573
Gwawaainuk - Canada	144,694				4,989		998	(150,681)		-
Kwikwasut'inuxw Haxwa'mis - Canada	355,131				12,246		2,449		(369,826)	-
Tsawataineuk - Canada	420,997				14,517		2,903			438,417
Ulkatcho - Canada	576,902				19,893	(596,795)				-
Gitanyow - Provincial	6,311	(6,311)								-
Gwawaainuk - Provincial	144,694	(144,694)								-
Kwikwasut'inuxw Haxwa'mis - Provincial	355,131	(355,131)								-
Tsawataineuk - Provincial	420,997	(420,997)								-
Ulkatcho - Provincial	576,904	(576,904)								-
Other		1,504,037			51,862	(596,797)	6,394	(150,681)	(369,826)	444,989
Individual	58,000,000	-	-	-	1,999,999	-	400,000	-	-	60,399,999
Regional	2,000,000									2,000,000
	60,000,000	-	-	-	1,999,999	-	400,000	-	-	62,399,999



# Appendix C

## EXAMPLES OF ACTIVITIES ELIGIBLE AND NOT-ELIGIBLE

### Projects and businesses that may be eligible for funding:

1. Shellfish aquaculture
2. Fisheries
3. Technology and communications infrastructure (e.g. broadband internet)\*
4. Wildlife viewing
5. Nutraceuticals
6. Mushroom harvesting
7. Non-timber forest products
8. Tourism, including cruises, trails, and strategic cultural/marketing infrastructure\*
9. EBM-compliant forestry operations
10. Non-nuclear and non-carbon burning energy projects
11. Green building projects
12. Small scale, non-toxic, subsurface rock, mineral or gem extraction projects
13. Economic development capital corporations that utilize funding standards consistent with the Fund's policies and guidelines.
14. Transportation infrastructure (e.g. airports, wharves, marinas)\*
15. Small Business infrastructure (e.g. retail market space, small business or artisan incubator facilities)\*
16. Other infrastructure that will support any of the above projects and businesses.\*

### Funding will not be approved for any of the following activities:

1. Activities to promote British Columbia, Canada or the Private Funders, provided that this restriction will not prevent the Fund from acknowledging the contributions of British Columbia, Canada and the Private Funders;
2. Any activity inconsistent with any EBM land and resource management objectives;
3. Any financial costs or obligations incurred by First Nations with respect to any consultations with any government or corporation concerning that government or corporation's duty to consult or accommodate;
4. Costs associated with meeting statutory obligations of the provincial or federal governments or other entities. This restriction is intended to prevent the off-loading of statutory obligations, or the costs of meeting statutory obligations, of the provincial or federal governments to First Nations. This restriction is not intended to preclude the funding of negotiations or discussions between Eligible First Nations and the provincial or federal governments regarding the implementation of an economic development Project;
5. Open net-cage finfish aquaculture;
6. Political activities as defined by the Income Tax Act;



7. Any activity or expenditure for initiatives not consistent with provincial laws, permits, regulations, established policies, orders and/or approvals;
8. Any activity inconsistent with the Economic Development Fund's constitution;
9. Any activity that is not Sustainable, as defined herein and determined at the sole discretion of the Fund, with particular regard to fish and wildlife stocks in the Project Area;
10. Any activity associated with the large-scale extraction of subsurface resources;
11. Fishing licences for stocks targeted for harvest reduction by federal or provincial agencies;
12. Trophy hunting for game;
13. Bear and/or carnivore hunting;
14. Healthcare, social services, housing, or community centres;
15. Community beautification;
16. Bridges, roads, water, or sewer (unless directly related to industrial or commercial businesses);
17. Cultural spaces (unless integrated as a key component of a comprehensive tourism marketing plan); and
18. Any other amenities infrastructure similar to the above.

**\* Please note the following are required documents for infrastructure project funding applications:**

For an application proposing an infrastructure project to be considered eligible, applicants must submit one of the following documents that will be considered equivalent to a business plan:

1. A business plan for a business that will benefit directly from the infrastructure investment; or
2. A summary analysis of the projected direct economic benefits to existing businesses in the community, and the potential for creation of new businesses directly resulting from the infrastructure investment.

All infrastructure applications must also include both of the following documents:

1. A detailed capital expenditure budget for the infrastructure investment, including valid quotations for materials and construction; and
2. A detailed multi-year operating and maintenance (O&M) budget to support the infrastructure.