

# Economic Development

Makivik Corporation

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*Challenges, Priorities & Sustainability*

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# Makivik Corporation

- Inuit birthright established in 1975 pursuant to the JBNQA, the first modern land claim agreement in Canada
- Not-for profit ethnic organization representing 12,000 Inuit residing in 15 coastal communities
- Mandated to protect Nunavik Inuit rights, interests and financial compensation received through the JBNQA
- Mandates
  - Owning and operating profitable business enterprises
  - Generating employment
  - Social economic development
  - Improving housing conditions
  - Protection of Inuktitut, culture and the natural environment

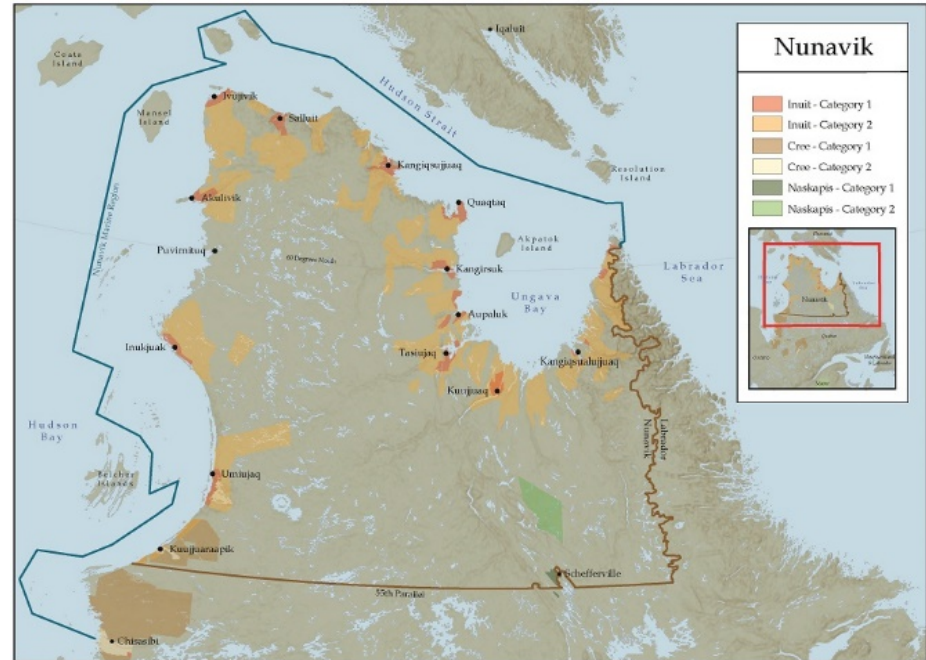
# Makivik Corporation

- Makivik operates various wholly owned and Joint Venture companies
- Wholly Owned
  - First Air, Air Inuit, Nunavik Furs, Halutik Enterprises, Kautaq Construction, Nunavik Geomatics
- Joint Venture
  - Nunavut Eastern Arctic Shipping (NEAS), UNAAQ Fisheries, Tarquti Energy



# Makivik Corporation

- Comprises the northern third of the province of Quebec, north of the 55<sup>th</sup> parallel (36% of the total area covering over 500,000 square km)
- Approximately 12,000 inhabitants, mostly Inuit live in 15 Inuit villages spanning all major coasts, Hudson Bay, Hudson Strait and Ungava Bay



# Nunavik

- None of the 14 Inuit communities are inter-connected by road and there is no road connection to the south
- The region has a wealth of mineral and wildlife resources and possesses some of the most picturesque natural attractions
- Population growth is 2.3% per year with 65% of the population under 29 years of age
- Still a heavy reliance on subsistence activities including hunting, fishing and trapping



# JBNQA

- The first modern day Canadian comprehensive land claim (includes compensation, lands, education, health, etc.)
- Settled by the Cree and Inuit in 1975
- Provided \$225 million in compensation to the James Bay Cree and the Inuit to be paid by Canada & Quebec
  - \$92 million to Inuit
- Upon Signing, several institutions were created including the Kativik Regional Government (KRG), Kativik Ilisarniliriniq, Nunavik Regional Board of Health and Social Services and Landholding Corporations



## Nunavik Inuit Land Claims Agreement - NILCA

- Came into effect on July 10, 2008 and applies to the offshore region around Quebec, northern Labrador and Offshore northern Labrador
- Includes overlap (jointly owned) regions with the Cree of Eeyou Itschee, Nunavut, and Labrador
- Included ownership of lands, capital transfers, the creation of Institutions of public government to address wildlife, land management and development impact issues, wildlife compensation regime
  - Nunavik Inuit own 80% of the islands, including both surface and subsurface in the Nunavik Marine Region (Nunavik Inuit Lands are approximately 5,300 square km)
  - \$86 Million in capital transfers and associated funds
  - Wildlife compensation regime
  - Institutions of Public Government (NMRWB, NMRIRB, NMRPC)

# Makivik Corporation – Economic Development

- 5 Main Groupings
  - Economic Potential – Industry Sector
  - Economic Development
  - Socio-economic / Social Development
  - Support Programs
  - Policy





# Nuvviti Development Corporation

- In June 2017, Makivik Corporation opened the Nuvviti Development Corporation
- The purpose of Nuvviti Development Corporation is to manage Makivik Corporation's Principal subsidiary companies (First Air and Air Inuit), and to develop new business that will lead to increased revenues for the Inuit of Nunavik
- Makivik Corporation Economic Development Department works closely with Nuvviti with regards to industry specific files such as mining, energy and tourism
- [www.nuvviti.com](http://www.nuvviti.com)

# Opportunities - Business

- From the Nunavik Inuit Enterprise perspective, there are a number of companies competing in the construction and mining services industry
- From the Makivik perspective, current focus is on the mining sector and renewable energy sector
- Further work is required to look into the biofood sector (commercial greenhouse for example) and developing the tourism potential

## *Inuit Priority Areas*

- Housing
- Health
- Education
- Access to Territory
- Mining
- Energy
- Tourism
- Biofood
- Wildlife
- Culture and Identity
- Telecommunications
- Community Development

# Challenges

- Funding / Access to equity or capital
  - Ensure multi-year funding arrangements
  - Increase funding proportions from Government (examples 50/50, 80/20)
  - Allow cost recovery for Aboriginal Organizations
    - Some funding envelopes, we are not able to recover costs of internal resources set-aside and managing projects, however, we can hire expensive consultants
- Lower Levels of Education
- Access to Business Networks
- Lower Income Levels
- Higher Rates of Unemployment / Access to skilled/reliable employees
- Higher Levels of Incarceration
  - limiting factor for some jobs, example mining industry
- Access to reliable Internet
- Lack of Infrastructure
- Taxes and Administration
  - Language barriers
- Higher cost of doing business / Operating costs

# Partnerships in a Broader Sense

- Industry/New Development in Nunavik
  - Partners must be willing to
    - Benefit the Nunavik Region
    - Priority of Inuit employment, training, skills/knowledge transfer
    - Priority of Inuit contracting and procurement opportunities
    - Develop sustainable, long-term partnerships with existing business, where/when necessary
    - Develop the region in a sustainable way that promotes the protection of the environment, and the protection of the natural and cultural heritage of the region

# Partnerships: Guiding Principles

- Inuit beneficiary partners are able to obtain more than 50% of the dividends, profits and benefits arising from the enterprise
- Level of local presence and contribution
  - Registered office in the region with resident manager
- Level of Inuit Employment
  - Priority for Inuit employment and implements training programs for beneficiaries
- Level of local and Inuit management
  - Has (internal to itself) the management capability and conducts the majority of its operation in the region
- Inuit partner is qualified to directly offer portions of the products, services, work and labour
- Inuit partner / JV has all the required operating permits and licenses to undertake such activities

# Thank-you

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