

# Atlantic Integrated Commercial Fisheries Initiative

**DISCUSSION PAPER**



**NATIONAL INDIGENOUS  
FISHERIES INSTITUTE**

Indigenous Program Review

**INSTITUT NATIONAL DES  
PÊCHES AUTOCHTONES**

Examen des programmes autochtones

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# Program Overview

In *R. v. Marshall* (1999), the Supreme Court of Canada ruled that the Mi'kmaq and Maliseet people on the East Coast have treaty rights to hunt, fish and gather to earn a moderate livelihood and that these rights are held by the community as a whole, not by individuals. Later in 1999, the Court clarified that these rights were not unlimited and Aboriginal fishing activities could be regulated, if justified, for conservation or other important public objectives.

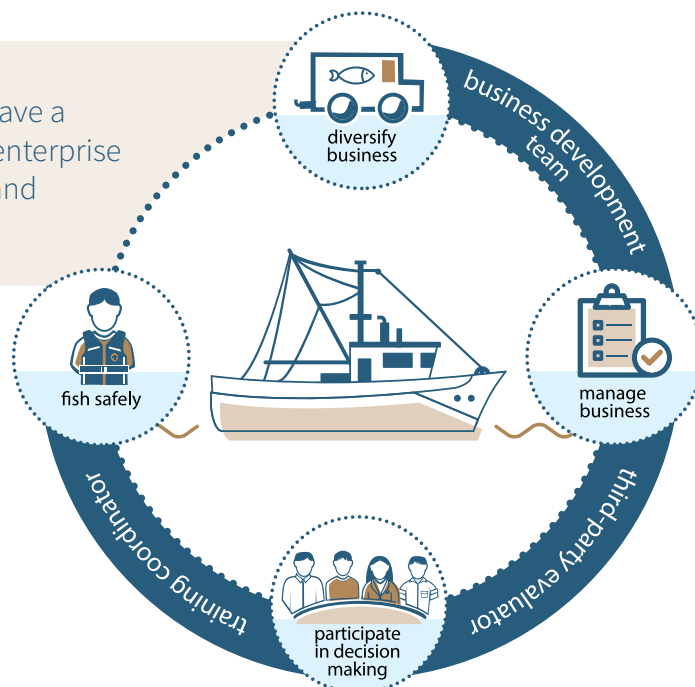
To respond to this ruling, Fisheries and Oceans Canada launched the *Marshall* Response Initiative and began to negotiate fisheries agreements with the 34 involved First Nations. While the program was intended to end in March 2004, it was extended for three years to give the Department more time to reach agreements. Two short-term support programs were also put in place to help participating First Nations manage their fishing operations and fish safely.

In 2007, the Atlantic Integrated Commercial Fisheries Initiative was launched to build on the investments made by the *Marshall* Response Initiative. The program provides involved First Nations with the means to develop and operate successful commercial fishing enterprises and to have a more effective voice in fisheries co-management. It also takes a unique approach to program delivery: using Indigenous organizations and a highly specialized business development team at arm's length from government.

While participation in the program is voluntary, 33 of the 34 eligible First Nations now participate. Each community has a business plan which outlines the strategic direction of their commercial fishing enterprise and related activities.

The Atlantic Integrated Commercial Fisheries Initiative was designed to run as a five-year program. It was subsequently renewed each year until Budget 2017 when the program became permanent. Eligible First Nations are in New Brunswick, Prince Edward Island, Nova Scotia, and the Gaspé region of Quebec. Their commercial fishing enterprises are successful, generating \$110 million in gross revenues each year and supporting 1,675 local jobs.

Communities may have a commercial fishing enterprise to bring in revenue and create jobs



## Program Objectives

1. Best use existing access to maximize economic returns
2. Training to fish safely and operate vessels
3. Knowledge and skills to manage fishing enterprises
4. Build capacity to independently meet future enterprise and training needs

# Desktop Review Summary

The Atlantic Integrated Commercial Fisheries Initiative applied the lessons learned by the Department when it administered the *Marshall* Response Initiative and its supporting programs. For example, at the outset, a series of clear procedures and administrative guidelines were developed for the new program and made accessible to staff and program participants. This includes a reporting procedures handbook for communities that entered into contribution agreements.

In 2010, an extensive evaluation of the Atlantic Integrated Commercial Fisheries Initiative found that the program was successfully achieving its objectives and benefitting First Nations in a number of ways:

- increasing community member skills to fish safely and successfully
- increasing the business management capacity of commercial fishing enterprises
- developing strong governance structures within commercial fishing enterprises
- increasing access to business development and diversification opportunities
- improving capacity by funding commercial fisheries liaison coordinators
- improving relations with Fisheries and Oceans Canada and fisheries stakeholders

The evaluation also found that the program was making progress in increasing community participation in co-management of the resource, enhancing the ability of First Nations to become full participants in commercial fisheries, and generating economic benefits by supporting local employment. At the time, 26 First Nations were participating in the program, 24 of which had prepared business and training plans for their commercial fishing enterprises. In addition, 12 of the 26 participating First Nations had documented governance structures and 15 had started using a new fisheries management system. More than 84 jobs had also been supported.

When the Atlantic Integrated Commercial Fisheries Initiative was re-evaluated in 2015, the program was still found to be effectively helping the 32 participating First Nations strengthen their

capacity to manage, expand and diversify their commercial fishing enterprises. Seven of these enterprises were rated 'sustainable', although departmental staff cautioned that the capacity was still developing to sustain a major setback, such as drastic reduction in allowable catch, severe drop in market prices, or the loss of their fisheries coordinator.

The 2015 evaluation had only one recommendation to improve the program: that it should develop, in consultation with participating First Nations, a clear staged process to help participating commercial fishing enterprises transition to be self-reliant. It also recommended that the program's best practices be used to inform the design of future initiatives.

A major strength of the Atlantic Integrated Commercial Fisheries Initiative's delivery model is its flexibility to respond to the full spectrum of community situations. A third-party evaluation of the program, *An Atlantic Fishing Tale (1999-2011)*, also credits the following principles:

- voluntary participation
- confidentiality of proprietary information
- firewalls between contractor and government, and between contractor and client
- continuous and systematic client consultation
- advisory services by a highly skilled business development team
- stages and linkages in program design to build and measure competency over time
- simplicity and clarity in all program communications
- performance-based outcomes and tight management controls

The business development team, in particular, has been recognized as a key program asset. Its highly specialized staff operate at arm's length from government and report to Ulnooweg Development Group, an Atlantic capital corporation for the Mi'kmaq and Maliseet First Nations for more than 30 years. The team offers a range of services to help First Nations communities:

- prepare business plans and harvesting/operational plans
- determine the feasibility of new project ideas by providing advisory and hands-on analysis
- evaluate proposals and reports pertaining to business planning studies and assessments

- adopt best management practices and strategies for improving their fishing enterprises
- prepare proposals to secure funds from other sources for new project development initiatives
- implement project management action plans with a structure to monitor project progress

The team has also been instrumental in promoting First Nations adoption of the fisheries management system, which helps fisheries managers monitor the operational results of fishing enterprises and compare historical data. In addition, the team worked with the Nova Scotia Community College to develop fishing enterprise management training covering:

- informed decision-making using the fisheries management system
- introduction to financial management for fisheries managers
- fisheries operational management
- strategic business planning
- project management for fisheries managers
- human resource management

The business development team is equipped with expertise in the fishing industry and expertise in community-development processes. In 2010, a specialist in aquaculture and a specialist in fish processing and marketing were added to support the team's responsibilities when the Atlantic Commercial Fisheries Diversification Initiative began. A second aquaculture advisor was added to the team in 2013 with the support of the Aboriginal Aquaculture in Canada Initiative.

The Atlantic Commercial Fisheries Diversification Initiative was a strategic partnership initiative, which leveraged the success of the Atlantic Integrated Commercial Fisheries Initiative with other federal economic development partners and funding. When the initiative ended in 2013, 22 new fisheries-related ventures had been started by Indigenous participants in aquaculture production, marketing, transportation, vessel repair and ice production with projected annual sales of \$27.8 million and 252 community jobs.

Fisheries diversification is one way to build a stronger and more competitive and prosperous Indigenous fishing industry. Participants in the industry, as well as aquaculture practitioners and other interested parties, came together in 2011 to explore other opportunities and to find ways to address challenges in an

event called the National Indigenous Fisheries and Aquaculture Forum. The event was so useful that it was held again in 2012 and for a third time in 2017.

Participants in the forums concluded that the industry needed continuous training and skills development to remain flexible, adaptable, and responsive to changing markets and trends. Market access and development, including through branding and niche markets, were noted as key opportunities, while access to capital was pegged as a fundamental challenge. The business of aquaculture was also recognized as an industry opportunity, but participants noted its competition with wild capture fisheries and wanted to be meaningfully engaged in aquaculture management and policy development.

To advance priority issues, participants recommended that:

- industry and governments work together, and with training institutions and other partners, to fully understand training standards and to identify training programs
- product differentiation and branding for niche markets be supported by governments and industry, including by collaborating with Agriculture and Agri-Food Canada
- governments and industry should encourage and work with Indigenous communities to explore ideas, such as risk pooling and partnerships, to address access to capital issues

Two federal initiatives announced in 2017 focus on addressing market access and access to capital issues. A portion of the \$325-million Atlantic Fisheries Fund, for example, is intended to increase the capacity of Canada's fish and seafood sector to develop existing markets and to enter new markets. A pilot project in the Atlantic is also exploring a First Nations pooled investment tool to make it easier for Indigenous fishing enterprises to access capital.<sup>1</sup>

<sup>1</sup> Access to capital solutions are explored in a separate discussion paper.

# Program Renewal Planning

In May 2017, the Atlantic Integrated Commercial Fisheries Initiative's co-delivery partners held a special program renewal planning session with UInooweg Development Group, the business development team and the program's technical advisory committee, application review board, and third-party evaluator.

Participants stressed the value of a renewed program as commercial fishing enterprises would now be able to make multi-year plans to diversify and expand on- and off-shore operations and to potentially form partnerships with other enterprises. They also noted that the program's permanency would provide assurance to financial institutions and investors that commercial fishing enterprises have access to stable funding.

To prepare for renewal, participants discussed how the program could continue to evolve by:

- encouraging enterprise managers to revisit their business plans with the business development team to set new goals and identify the most important element for enterprise success and viability
- finding marketing opportunities similar to the National Indigenous Fisheries and Aquaculture Forum to introduce enterprise managers to other industry players
- improving the quality of funding applications to make the review process faster and easier, including for proposed aquaculture projects
- ensuring program flexibility to better meet the specific needs of emerging, progressing, and sustainable commercial fishing enterprises
- increasing availability and contact time between the business development team and communities
- continuing ongoing development of the Fisheries Enterprise Management Training Program to increase its coverage and accessibility
- encouraging increased use of the fisheries management system software, including for aquaculture projects, and exploring ways to continue to improve this software

## Input of the Indigenous Program Review Panel

Indigenous executives with experience in fisheries and aquaculture programs noted that training and skills development remain issues for industry because training is largely completed in 'one-offs' and the development of skills does not follow a specific career path.

These executives recommended that a national approach be taken to training and skills development and that this approach be aligned to Indigenous program structures.

### ***Indigenous-prosecuted fisheries should be the goal.***

Indigenous executives also thought a national approach would be beneficial in developing the path from emerging to viable commercial fishing enterprises. To that end, executives stressed the importance of setting very clear criteria for program milestones based on success factors identified by enterprise managers and communities. They also recommended that information be prepared to explain to enterprises and communities why remaining in some parts of the program could limit business opportunities for further growth and success.

Consistent with the recommendations of participants in national fisheries forums, Indigenous executives said partnerships were essential in helping Indigenous commercial fishing enterprises and communities take advantage of new opportunities and overcome challenges. They recommended using the Strategic Partnerships Initiative to develop and fund new projects as it had already proven to achieve results for the industry.

### ***Access to capital and markets are still issues to cover.***

## Experiences of Fisheries and Oceans Canada Program Administrators

Staff at Fisheries and Oceans Canada who are involved in the day-to-day operations of the Atlantic Integrated Commercial Fisheries Initiative stressed how important the business development and harvest training plans have been to the evolution of commercial fishing enterprises over the course of the program. The efforts of the business development team and the harvest training advisors in these areas were found to be particularly effective.

Staff reported that they regularly receive funding proposals which reference an enterprise's planning documents and clearly show what it is planning for the future. In addition, harvest training plans outline the training required for First Nations to get the skills and accreditations they need to fish commercially as crew or captains – or to perform successfully in other jobs created by the program.

Departmental officials acknowledged, however, that training would likely be an ongoing focus of the program as vessel navigation, fishing gear, crew members, and the industry itself continues to change over time. They were also clear that while the Atlantic Integrated Commercial Fisheries Initiative seeks to create sustainable commercial fishing enterprises, sustainability may differ from one enterprise to the next. In this regard, staff emphasized that some enterprises could still benefit from program support related to marketing, identifying new opportunities along the fisheries value chain, and becoming more appealing to financial institutions and investors.

# Points of Discussion

The Atlantic Integrated Commercial Fisheries Initiative was, from the very start, recognized as a successful economic development program. It had the benefit of applying the lessons learned from earlier programs. It also took a fresh approach to program planning and design, which led to several innovative delivery components that are now considered models for future Indigenous programming.

The desktop review shows that the program could still benefit from some adjustments:

- Flexibility to meet the differing needs of emerging, progressing and sustainable commercial fishing enterprises
- Clear understanding of success factors from the enterprise and community points of view
- More emphasis on partnership opportunities which address industry priorities
- Meeting ongoing training needs most efficiently

This discussion paper seeks to explore how these adjustments could be made by asking for input on the following questions:

## Program Design

1. How could your business development needs be better served? Do you see any need for changes to the current structure or services? If so, list your ideas.

## Improving how Performance is Measured

2. What do you envision as success for your commercial fishing enterprise? Is it based on profits, number of Indigenous employees, capability to take on spin-off opportunities, contributing to community development, all of the above and/or something else? List all of your success factors.
3. How does your commercial fishing enterprise measure your business managers in terms of their skills and ability to advance the priorities of your commercial fishing enterprise? For example, are they measured based on the creation of jobs and business diversification? Are there (or should

there be) standards to measure their skills, professional development, and contribution to the creation of jobs and business diversification?

4. What changes would you make to the fisheries management system to better serve your commercial fishing enterprise?

## Leveraging Partnership Opportunities

5. If you had access to capital at a reasonable rate, would you want to participate?
6. How should the business development team prepare to use the Atlantic Fisheries Fund for the benefit of commercial fishing enterprises?
7. Have you been able to successfully access other federal or provincial programs in the past to advance or expand the activities of your commercial fishing enterprise? If so, which programs were they?

## Addressing Training Needs

8. What type(s) of training is (are) still needed for harvesters and/or commercial fishing enterprise managers? Have you taken any of the enterprise management training programs? If so, do you have any suggestions for further development?
9. How much of your commercial fishing enterprise's operating budget would be available for other priorities if your harvesters had access to nationally led training? Is it more beneficial to have funding from another source for training or to form a partnership to leverage training accessibility?