

Pacific Integrated Commercial Fisheries Initiative

DISCUSSION PAPER



**NATIONAL INDIGENOUS
FISHERIES INSTITUTE**

Indigenous Program Review

**INSTITUT NATIONAL DES
PÊCHES AUTOCHTONES**

Examen des programmes autochtones

indigenousfisheries.ca

Program Overview

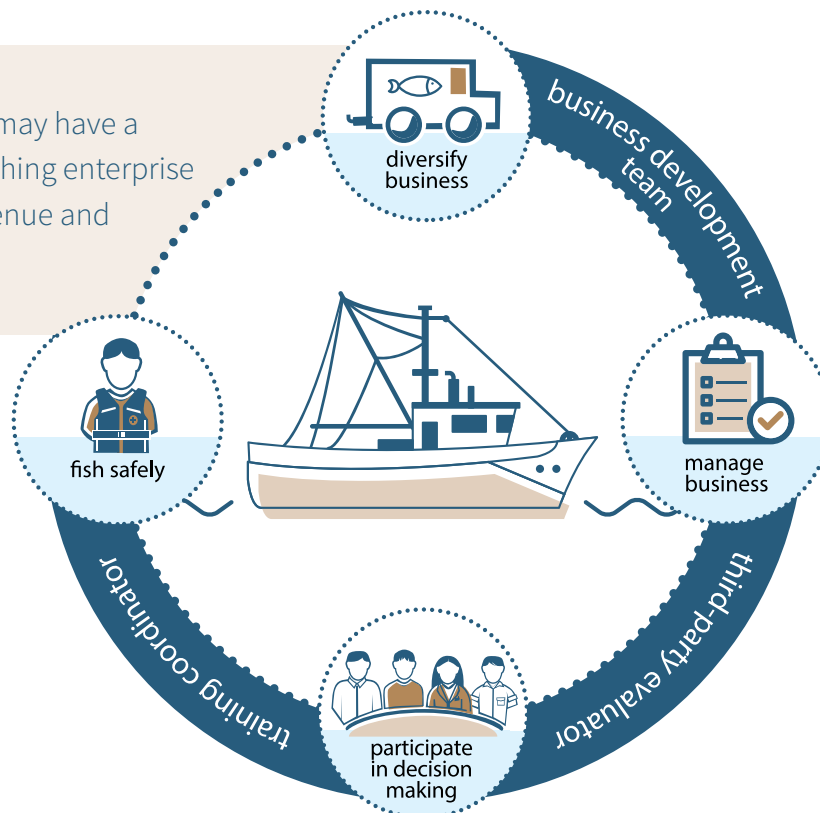
The Pacific Integrated Commercial Fisheries Initiative was built on the fisheries reform work undertaken by Fisheries and Oceans Canada in response to the 2004 reports of the Joint Task Group on Post-treaty Fisheries and the First Nations Panel on Fisheries. The program also benefitted from a number of investments made by Fisheries and Oceans Canada in earlier economic programs. These included the Pacific Commercial Licence Retirement pilot program, the Allocation Transfer Program, and the First Nations Selective Fisheries Gear Purchase Program, among others.

The Pacific Integrated Commercial Fisheries Initiative supports First Nations involvement in commercial fisheries in British Columbia by helping them develop sustainable fishing enterprises and increase their participation in fisheries management decision-making processes.

While the program was initially designed with four elements, it is focused today on enterprise development. It also takes the same approach to program delivery that is taken in the Atlantic: using Indigenous organizations and a highly specialized business development team at arm's length from government.

The Pacific Integrated Commercial Fisheries Initiative was announced as a five-year program. It was subsequently renewed each year until Budget 2017, when the program was made permanent. The 25 commercial fishing enterprises in British Columbia involve 97 Indigenous groups, generate \$40.2 million in gross revenues each year, and support 1,100 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 Pacific Integrated Commercial Fisheries Initiative was not the first Fisheries and Oceans Canada economic program for First Nations in British Columbia.

The Pilot Sales Program was launched in 1992 to help participants achieve economic self-sufficiency by licensing the sale of Pacific salmon in three river areas: Lower Fraser River, Skeena River, and Alberni Inlet-Somass River on the West Coast of Vancouver Island. Harvest limits were negotiated with Indigenous groups based on historic catches and fisheries management considerations.

The Pacific Commercial Licence Retirement Program also began in 1992. This pilot program tested ways to reduce the catching power in the commercial fleet so fishing by commercial operators would not be negatively affected when opportunities were given to Indigenous groups. Based on the success of this pilot, the Allocation Transfer Program was added to the Aboriginal Fisheries Strategy.

The Allocation Transfer Program permanently retires licences from interested commercial harvesters on a voluntary basis by buying the licences at fair market value. Once the licence is retired, an equivalent commercial fishing capacity licence or allocation is then re-issued to an Indigenous group on a communal basis. As of 2017, more than 450 licences and quota have been purchased through the program in the Pacific at a cost of about \$93 million. This has led to 38 agreements with 45 First Nations. Fourteen vessels have also been purchased through the program at a cost of about \$2.87 million.

The First Nations Selective Fisheries Gear Purchase Program was another Indigenous economic program in 2000. It funded more than 30 projects and, as a result, 35 First Nations received \$500,000 to individually meet their own training requirements.

When the Pacific Integrated Commercial Fisheries Initiative began in 2007, it advanced the achievements made by these early economic programs. By the end of 2009, all of the program's initial elements and training modules were well established. The program had also advanced by developing reporting and monitoring standards, models of co-management and governance, ecosystem-based management, traceability in support of "ocean to plate" and Marine Stewardship Council certification, and new methods of enforcement.

In 2010, an evaluation of the program found that it was aligned with the Department's priorities and strategic objectives. However,

the evaluation also found several administrative issues. For example, potential participants did not have clear guidance about how to create commercial fishing enterprise aggregates and the Department's response to expressions of interest was too slow. Participants in training and mentoring activities were also unsatisfied as these activities did not incorporate cultural or community needs or preferences. In addition, participants were concerned about the program's communications and consultation shortcomings.

As a result of these findings, the evaluation recommended that the Department show more flexibility on commercial fishing enterprise aggregate requirements and any criteria, such as the minimum number of involved First Nations, be developed in consultation with, and communicated to, First Nations. It also recommended that the Department improve overall consultation and communications, including by increasing co-operation with the First Nations Fisheries Council. To address the other identified shortfalls, the evaluation recommended that the Department:

- streamline its application and approval process and clearly communicate evaluation criteria
- apply lessons learned from the expression of interest process to future activities
- ensure adequate funding to First Nations to meet business plan development demands
- consider making business development teams available to Indigenous organizations
- continue to investigate potential for co-operation with other departments in order to facilitate the development of viable commercial inland fisheries

When the Pacific Integrated Commercial Fisheries Initiative was 'refreshed' a few years later, the program was focused on addressing the business development needs of commercial fishing enterprises in order to set the enterprises on a path to long-term viability. An external business support system with a business development team, third-party evaluator and training coordinator was put in place using the successful Atlantic program model. The Pacific Commercial Fisheries Diversification Initiative was also launched to help commercial fishing enterprises diversify their operations into processing, aquaculture, marketing and other fishery-related services.

These program changes proved to be successful. When the Pacific Integrated Commercial Fisheries Initiative was evaluated once again in 2016, it showed significant progress had been made to address administrative issues, improve communications and engagement,

and increase co-operation with the First Nations Fisheries Council and other government departments. The evaluation also found that there was a continuing need for the business development component to help commercial fishing enterprises reach sustainability status.

Meanwhile, an external report conducted around the same time showed that changes to the program had resulted in substantially more First Nations-owned fishing vessels and First Nations fishing jobs. In 2010, only 30 per cent of fishing vessels operating through the program were owned by First Nations and only 38 per cent of the fishing jobs were held by First Nations Peoples. By 2016, these figures were both at 71 per cent.

The business development team highlighted some of the opportunities and challenges of commercial fishing enterprises in the region as follows.

Among the opportunities:

- industry foothold with assets and experienced community harvesters
- capacity to develop business plans and business cases for new investment
- continually improving governance, management and operational experience
- recruiting youth into industry (not just harvesting)
- diversification through aquaculture, processing, sales, marketing and branding

Among the challenges:

- licences and quota were not enough to be viable or to meet community demand
- limited funds to acquire more access; especially, in high-value fisheries
- some enterprises are commercially viable while others are not
- ongoing capacity-building is required to improve operations
- ageing demographic in the sector

Addressing the challenges of commercial fishing enterprises and aquaculture practitioners, and preparing to take advantage of the sector's opportunities, have been the focus of industry at an event called the National Indigenous Fisheries and Aquaculture Forum. First held in 2011, the event has proven to be so useful that it was held again in 2012 and for a third time in 2017.

Participants in the forums concluded that the industry needs 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.

To advance these 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

A report¹ commissioned by the Canadian Council of Professional Fish Harvesters listed the ideal fish harvester training curriculum package as covering:

- the basics of fishing history, licensing, regulation, catch monitoring and reporting
- knowledge of fish and life-cycles, conservation needs and ecosystem interdependencies
- new selective fishing requirements for live-release and avoidance of non-target species
- new professionalization requirements
- new catch handling, quality, value-added requirements for higher earnings
- vessel and fishing gear maintenance and up-keep
- personnel management, hiring, training and understanding how to develop an effective crew
- marine safety requirements, search and rescue, first aid, and safety gear
- safe vessel operations, rules of the road, navigation, and map reading
- communications practices and equipment
- small business practices, financial management, taxes, loans, and other financial issues
- diversification: why and how
- swimming lessons
- chartering (legal and insurance implications)
- English and computer literacy

This curriculum was developed by the Native Fishing Association of British Columbia in 2007 during its *Rebuilding Indian Participation in Commercial Fisheries* study. It may shed light on the training standards and programs required by industry.

¹ *Assessing the Skills Needs of Aboriginal Fish Harvesters in Canada*, 2012.

A portion of the \$325-million Atlantic Fisheries Fund announced in 2017 may also offer solutions to the industry's market access issues, as it will fund activities to increase the industry's capacity to develop existing markets and to enter new markets. This part of the fund is available to all commercial fishing enterprises and aquaculture operations across Canada.

Access to capital issues for commercial fishing enterprises in British Columbia are different than those experienced in Atlantic

Canada. This is due, in part, to the type of licences that are issued to Indigenous commercial fishing enterprises and the different fisheries types in the Pacific. While many commercial fishing enterprises are aggregated to be able to invest in fishery access, they still often lack sufficient funds to gain access to high-value fisheries. There is also a difference between the access to capital models being contemplated by industry in the west compared to the east.

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 that 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. They also suggested that the Atlantic access to capital pilot project could be extended nationally to add Pacific participants, even if the project looked different in each region. In addition, these executives thought other regions could benefit by learning from the Pacific model of creating commercial fishing enterprise aggregates.

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 Pacific Integrated Commercial Fisheries Initiative stressed how important the commercial fishing enterprise business development and training plans were at the beginning of the program. The efforts of the business development team and their harvest training advisors in these areas were found to be particularly effective.

For example, with the help of harvest training advisors, training plans outlined the suite of required training so First Nations members could get the skills and accreditations they needed to fish commercially as crew or captains. Training plans also meant that the program funded training for the jobs that were actually created by the program. Despite the program's successful training activities, however, departmental officials acknowledged that training would likely be an ongoing need as vessel navigation, fishing gear, crew members, and the industry itself continues to change.

Fisheries and Oceans Canada staff were also clear that while the Pacific 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 Pacific Integrated Commercial Fisheries Initiative evolved into a successful economic development program. By focusing on the development of commercial fishing enterprises and building partnerships to help these enterprises take advantage of diversification opportunities, the program has set commercial fishing enterprises on the path to long-term viability.

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

- Flexibility to meet the differing needs of new entrants and 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?

Leveraging Partnership Opportunities

4. If you had access to capital at a reasonable rate, would you want to participate?
5. How should the business development team prepare to use the nationally eligible market access and development portion of the Atlantic Fisheries Fund for the benefit of your commercial fishing enterprise?
6. 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

7. What type(s) of training is (are) still needed for harvesters and/or commercial fishing enterprise managers? Do you agree or disagree with the training curriculum recommended for harvesters in the Canadian Council of Professional Fish Harvesters' report?
8. 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?

Meeting the Needs of New and Evolving Program Participants

9. Based on your experience, what are the keys to success that an early-stage commercial fishing enterprise can learn from?
10. Are you interested in expanding your business into aquaculture? If so, what kinds of aquaculture projects would you like to pursue? What, if anything, is preventing you from starting these projects?