

Northern 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

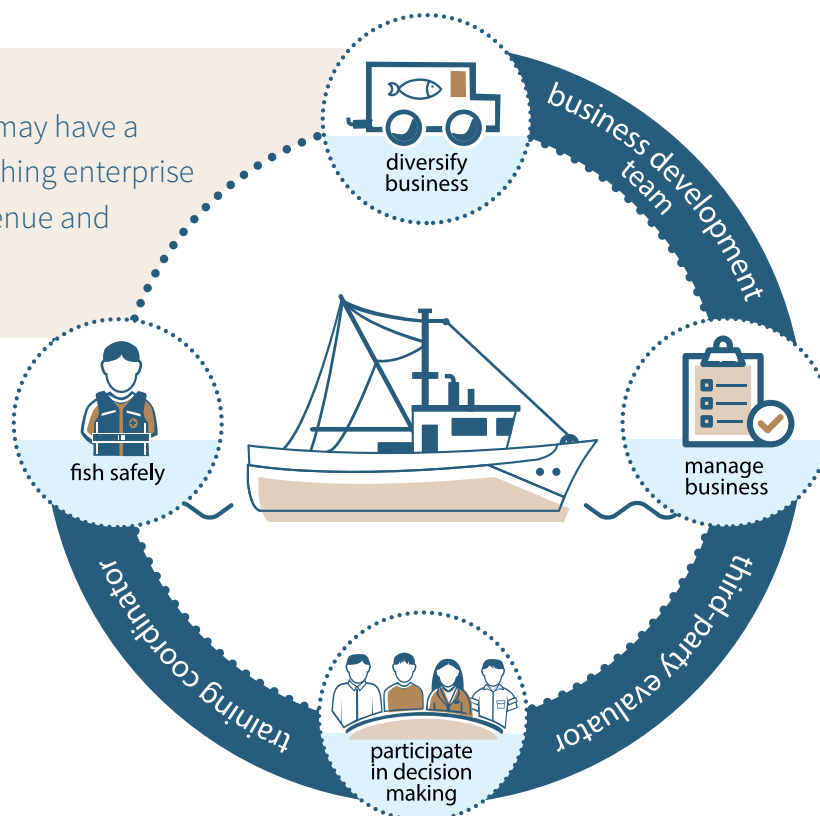

Fisheries and Oceans Canada’s regional Indigenous commercial fisheries initiatives have proven that commercial fisheries can be a driver for socio-economic development and self-sufficiency in Indigenous communities across Canada. This was recognized in the 2017 federal budget when the Department received funding to expand this initiative into Canada’s North.

This highly innovative program helps Indigenous groups develop commercial fishing enterprises, build business management skills, and train local harvesters to fish safely. It also facilitates business expansion and diversification, and emphasizes strong and accountable commercial enterprise governance.

The new Northern Integrated Commercial Fisheries Initiative will fund and support Indigenous groups and communities that are not eligible for existing programs in the Atlantic and the Pacific in all areas where Fisheries and Oceans Canada manages the fishery.¹ The program will thus be open to new Indigenous participants, including those with land claims, in Yukon Territory, Northwest Territories, Nunavut, northern Quebec, and Newfoundland and Labrador. It will also be open to other previously ineligible First Nations, Inuit and Métis groups in other regions across Canada.

Funding for the new program will be aimed at commercial fishing enterprise and aquaculture development, with a particular focus on business development planning and targeted training. While it will benefit from the success of the Atlantic and Pacific initiatives, the northern program will be developed to meet the unique needs and issues of its participants, including the very high overhead costs which result from regional isolation and the short fishing season. The program will also expand on the work previously undertaken by Fisheries and Oceans Canada in northern regions using the Aboriginal Fisheries Strategy’s Allocation Transfer Program.

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

Program Design Focus: Capacity-building

1. Business planning and development
2. Harvest and management training
3. Business expansion and diversification

¹ This limitation does not apply to groups who apply for aquaculture-related support.

Desktop Review Summary

Indigenous groups across Canada's north and other areas have indicated their interest in participating in a northern commercial fisheries and aquaculture program.

This includes Treaty groups that are eligible for funding related to capacity-building services but have not been eligible for other Fisheries and Oceans Canada programs. The desktop review for the Northern Integrated Commercial Fisheries Initiative therefore examined existing and potential commercial fishing activities and participants in a range of areas where Fisheries and Oceans Canada manages the fishery. There may also be other eligible groups or regions not profiled below.

Yukon Territory

Following more than 20 years of negotiations between Yukon First Nations and the Governments of Canada and Yukon, the Umbrella Final Agreement was ratified in 1993. This agreement provides a framework for the negotiation of individual First Nation Final and Self-Government Agreements in Yukon Territory. It also provides for the establishment of boards, committees, and tribunals to ensure joint management in a number of areas. This includes fisheries. To date, 11 of the 14 Yukon First Nations have signed individual Final and Self-Government Agreements, representing the majority of modern treaties claims in Canada.

Under the Umbrella Final Agreement, eight commercial salmon licences in the Yukon River Commercial Fishery were reserved for Indigenous harvesters. Yukon commercial salmon fisheries have been limited to harvesting chum salmon since 2010 due to variable abundance. The Tr'ondek Hwech'in (First Nation) in Dawson are an active participant in this fishery.

Fisheries and Oceans Canada manages commercial salmon fisheries in the Yukon for chum and Chinook salmon, in co-operation with the Yukon Salmon Sub-Committee. The Sub-Committee was established under First Nation Final Agreements and it is the main instrument of salmon management in the Territory. As a sub-committee of the Yukon Fish and Wildlife Management Board, it is also mandated to give formal recommendations on all matters related to salmon and their habitat to the Minister of Fisheries and Oceans, Yukon First Nation Governments, and Yukon Government.

Commercial aquaculture activities in the Yukon are currently focussed on the production of Arctic char. The industry comprises two larger-scale "tank farm" operations and a number of "pothole lake" operations that produce fish and ova for sale to local, domestic, and international markets.

Northwest Territories

In 2017, the Government of Northwest Territories released a strategy to revitalize the commercial freshwater fishery in Great Slave Lake. It is focussed on:

- addressing infrastructure issues, including by building a new processing plant in Hay River
- increasing lake production and participation in the fishery, including by restarting remote and winter fisheries and mentoring new entrants
- growing the domestic market and accessing export markets
- adopting new ways of doing business, including by empowering harvesters to make decisions in order to develop a viable fishery

As a result of this strategy, it is envisioned that the Great Slave Lake commercial fishery will renew the livelihoods of fish harvesters, create a sustainable industry, contribute to greater community wellness and local food production, and add value to the territorial economy.

A number of small freshwater fisheries are also located in and around the Mackenzie Delta and the Lower Mackenzie River within the Gwich'in Settlement Area of the Northwest Territories. The Gwich'in Renewable Resources Board is responsible for sustainable fish management in the Settlement Area. The Board works with Fisheries and Oceans Canada, Renewable Resource Councils and adjacent land-claim co-management boards to prepare fisheries management plans outlining harvesting guidelines and research goals to protect fish stocks for the future. Each commercial fisheries area has different quota, listed species, and conditions related to the area and land claim. These include restrictions pertaining to special harvesting areas.

The Inuvialuit Settlement Region spans the Beaufort Sea, Mackenzie River Delta, Yukon North Slope, northwest portion of the Northwest Territories, and western Canadian Arctic Islands. According to the 1984 Inuvialuit Final Agreement, Inuvialuit individuals, co-operatives, corporations and collectives may be issued non-transferable licences to harvest under the commercial quota for any waters within the Inuvialuit Settlement Region. Licences are subject to restrictions, including for the offshore fishery.

The Beaufort Sea Integrated Fisheries Management Framework was put in place in 2014 to protect the well-being and sustainability of key marine resources in the Inuvialuit Settlement Region, including traditional Inuvialuit harvests. The framework specifies that any new fisheries will be given to small-scale Inuvialuit-based operations and larger-scale commercial fisheries will only be considered based on scientific knowledge and understanding of the biological productivity of food chain links to species of importance to Inuvialuit. These species include Dolly Varden and Arctic char, anadromous whitefish species, seals and whales. Fisheries and Oceans Canada, Inuvialuit Regional Corporation, Inuvialuit Game Council, and the Fisheries Joint Management Committee are partners in the co-operative management approach to marine mammals and fish in the Inuvialuit Settlement Area.

Nunavut

The *Nunavut Fisheries Strategy 2016-2020* was built on the ideas, experience, and dedication of all Nunavut fisheries stakeholders. Increased access and allocations to adjacent offshore turbot and shrimp fishing areas have established Nunavut as a major player in Canada's commercial fishing sector. Fishing capacity in the Territory has also expanded with the creation of new Inuit-owned offshore allocation holders and the growth of Nunavut's offshore allocation holder fleets. In addition, the Nunavut Fisheries Training Consortium has increased opportunities for Inuit to work in the fisheries sector.

The Qikiqtani region is at the forefront of Nunavut's offshore fisheries with four companies conducting large-scale commercial harvesting of shrimp and turbot in Baffin Bay, Davis Strait and Hudson Strait. The Territory has four established processing plants, although the Nunavut Fisheries Strategy has identified the need to increase this capacity.

The Nunavut Fisheries Strategy also shows consensus among stakeholders on the need for:

- a more developed inshore fishery; particularly, for Arctic char
- new infrastructure to support both the offshore and inshore fisheries
- greater and more active federal involvement
- ongoing training, market access and partnerships

Fisheries in Nunavut are governed by the *Nunavut Land Claims Agreement Act* (Articles 5 and 15). Decision-making takes place through community consultations to incorporate community and traditional knowledge, in addition to the best available science. The Nunavut Wildlife Management Board then puts forward fisheries harvest decisions made with co-management partners to the Minister of Fisheries and Oceans.

Newfoundland and Labrador

Qalipu Mi'kmaq First Nations Band participation in the commercial fishery dates back to 2000 with two communal commercial fishing enterprises for Division 4R. In 2017, Qalipu held 11 inshore enterprises: 10 in Division 4R and one in Division 3K. Primary species of interest are shrimp, crab and lobster followed by groundfish, herring, mackerel and capelin. Division 4R fishing operations are managed using designated operators, which may be renewed annually if the harvester complies with the Band's Fishing Designation Policy, pays applicable administration fees, uses the licences, and complies with regulations governing the fishery. The Division 3K Mi'kmaq Commercial Fisheries enterprise uses a shore-based manager, who hires a captain and crew for fishing activities.

Miawpukek First Nation has been building its capacity in the commercial fishery since 1999, including by self-funding several acquisitions. For example, in 2015, this First Nation built a 50-foot vessel to fish their fixed-gear cod allocations, the tuna fishery, and the Nova Scotia lobster fishery accessed through arrangements with a Nova Scotia-based First Nation. In 2016, Miawpukek First Nation held 10 fishing enterprise licences in the inshore sector focusing on groundfish (primarily 3Ps cod), Snow crab, pelagics and whelk. The community also had one sea cucumber and three tuna licences, along with inshore allocations of crab and cod in Division 3Ps.

Miawpukek First Nation has been actively involved in the Aboriginal Aquaculture in Canada Initiative. Recently, the community identified new farm sites and a rainbow trout farm development proposal with a view of re-entering production. The First Nation was, in fact, an early participant in commercial salmonid aquaculture in Newfoundland and Labrador as:

- shareholders in early commercial farms
- owners and operators of industry supply and services businesses
- employees on farms
- collaborators on research and development on production and environmental effects

Nunatsiavut Government has a number of commercial licences and allocations for species such as crab, shrimp, turbot, and scallop. The Government also holds three enterprises in the inshore sector with multiple species licences which were acquired prior to signing its land claims agreement. In addition, Nunatsiavut Government holds one inshore enterprise with a seal licence. The Government has additional fishery interests with other entities such as Pikalujak

Fisheries (50 per cent ownership), Torngat Fish Producers Co-operative Society Limited, and the Labrador Inuit Development Corporation. These interests provide additional access to fishing allocations including offshore shrimp. Torngat Fish Producers Co-operative Society Limited also holds 160 metric tonnes of Greenland Halibut in the Northwest Atlantic Fisheries Organization Area 0B. Fisheries are governed by the Labrador Inuit Land Claims Agreement (Chapter 13). Decision-making takes place through community consultations to incorporate community and traditional knowledge, in addition to the best available science. The Torngat Joint Fisheries Board is the primary body advising the Minister of Fisheries and Oceans on the conservation of species and habitat, and the management of commercial fisheries in the Labrador Inuit Settlement Area. They also have advisory powers in adjacent waters.

Innu Nation is the governing body of the Labrador Innu who reside in Natuashish on the north coast and Sheshatshiu in the Upper Lake Melville region. Innu Nation has been actively involved in commercial fisheries since 2004 when it acquired a mid-shore enterprise with groundfish allocations for cod, Atlantic halibut and turbot and access to the Area 0B competitive Greenland halibut (turbot) fishery. The Nation also has northern shrimp quotas. In addition, it holds a competitive northern shrimp licence for shrimp fishing areas 6 and 7 and three inshore licences for shrimp fishing area 4. Innu Nation manages their fisheries interests through an entity called Ueushuk Fisheries which was created in 2005.

Northern Quebec

The Nunavik Inuit Land Claims Agreement came into effect on February 14, 2008. It addresses the use, management and ownership of Nunavut land and resources in James Bay, Hudson Bay, Hudson Strait and Ungava Bay, as well as a portion of northern Labrador and an offshore area adjacent to Labrador. The Nunavik Inuit Settlement Area comprises the Nunavik Marine Region and the Labrador portion of the Nunavik Inuit Settlement Area. Nunavik Inuit own and have surface and subsurface rights to 80 per cent of the total area comprised by the islands in the Nunavik Marine Region, an expanse of approximately 5,100 square kilometers. Nunavik Inuit also share, with the Crees of Eeyou Istchee, approximately 400 square kilometers of joint land.

Makivik has a well-established and successful reputation in the northern fishing industry and, as far back as 1978, has successfully researched and developed a viable shrimp fishery in Hudson Strait and Davis Strait. Over the years, it has also trained Inuit crews and developed partnerships with major national and international fishing companies. Through Unaaq Fisheries, for example, Makivik shares a shrimp licence with Qikiqtaaluk Corporation of Nunavut, and is full owner of an additional licence that it operates in partnership with Newfoundland Resources.

The Nunavik Marine Region Wildlife Board is the main instrument of wildlife management in the Nunavik Marine Region, which reflects both western science and traditional Inuit knowledge when making decisions. Six members of the Board are appointed: three by Makivik Corporation, one by the Minister of Fisheries and Oceans, one by the Minister of Environment and Climate Change, and one by the Government of Nunavut. There is also a chairperson of the Board who is nominated by other Board members and approved by the Minister of Fisheries and Oceans.

National Indigenous Fisheries and Aquaculture Forum

Participants in the northern commercial fisheries and aquaculture industry have joined their Atlantic and Pacific counterparts in exploring opportunities and finding ways to address challenges in an event called the National Indigenous Fisheries and Aquaculture Forum. The event has been held in 2011, 2012 and 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. 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

Input of the Indigenous Program Review Panel

Indigenous executives with experience in fisheries and aquaculture programs noted the importance of training and skills development for industry participants in the north and other areas that had not benefited from the Atlantic or Pacific commercial programs.

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

Consistent with the recommendations of participants in national fisheries forums, Indigenous executives also said that partnerships were essential in helping Indigenous commercial fishing enterprises and communities take advantage of new opportunities and overcome challenges. For example, they strongly recommended using the Strategic Partnerships Initiative to develop and fund new projects as it had already proven to achieve results for the industry in Canada and it was adaptable to include partners from different and multiple regions and governments.

Experiences of Fisheries and Oceans Canada Program Administrators

Staff at Fisheries and Oceans Canada who deliver other Indigenous programs to groups that will be eligible for the new northern program reported that commercial fisheries are largely underutilized across northern regions and development varies.

This has been a result of infrastructure needs, the high cost of processing and marketing fish caught in northern and remote areas, and insufficient economic development funding. Staff therefore recommended that the northern program be designed to address these issues.

Fisheries and Oceans Canada staff also thought that training and skills development would need to be an important component of the new program. They cautioned, however, that training would need to be flexible in order to benefit those who were just beginning to build capacity as well as those who have been in the industry for some time. They also recommended that activities be prioritized to leverage existing fisheries while preparing for emerging or developing fisheries. In addition, staff advised that development of the program should take the time necessary to build enterprises that would be ready for diversification.

Points of Discussion

The Northern Integrated Commercial Fisheries Initiative is a new program in which Fisheries and Oceans Canada and Indigenous communities and groups can engage and build a relationship.

While the development of this program will build on the successful approach taken by the Atlantic and Pacific programs, it must be designed to meet the unique needs of potential participants who live in such vast and diverse geographic areas – and who deal with unique issues as a result. For example, commercial fishing enterprises in the North operate with some of the highest overhead costs in Canada due to their remote locations and short fishing season.

This discussion paper seeks to explore program design features and delivery options by asking for input on the following questions:

Program Design

1. While the Atlantic and Pacific programs continue to evolve, three main elements have been used to build the capacity of Indigenous-owned commercial fishing enterprises: business planning and development, harvest and management training, and business expansion and diversification opportunities. Should the Northern program start with these same components? Should anything be added or removed?
2. What is the potential for aquaculture operations in your area? What are the goals of your community for any aquaculture-related activities and/or species?
3. Do you think there should be some geographic or industry parameters on the eligibility of this program as it develops over the first few years? Would this help the program achieve results for communities even when circumstances in the North drive up costs (e.g., transportation and the cost of fuel)?

Addressing Training Needs

4. What knowledge and skills are required to manage fishing enterprises or aquaculture operations in northern and other eligible regions? What training programs are needed to help harvesters fish safely in northern and remote fisheries?

5. What programs or certification courses are currently offered in your region? How should this new program be used to enhance existing training activities?
6. Should a specific percentage of the program's funds be dedicated for training activities? If so, what percentage (e.g., 10 per cent, 25 per cent, etc.)?

Addressing Infrastructure Needs

7. Do you have any port, docking or processing facility needs in your region? If so, are these needs preventing commercial fishing activities from growing or developing?

Addressing Market Access and Development Needs

8. Do you presently have a market (or marketing plan) for the fish you would like to sell commercially?

Program Development

9. What fishing activities are taking place in your community right now? For example, what is being fished by whom, when, and for what purpose? Are you following a broader strategy, such as the *Nunavut Fisheries Strategy* or the *Strategy for Revitalizing the Great Slave Lake Commercial Fishery*?

Leveraging Partnership Opportunities

10. Which partners (e.g., federal, territorial, provincial, and/or private sector) do you think should be approached to collaborate in this program and expand available funding?