



Pacific Integrated Commercial Fisheries Initiative (PICFI) 5-Year Plans

PICFI Steering Committee

Dec. 12th, 2008





Outline

This deck is intended to provide a synopsis of the 5-year plans for each PICFI element:

1. Enhanced accountability
2. Co-management
3. First Nations Access
4. First Nations Capacity Building



Overall PICFI Objectives

- Increased First Nations participation in integrated commercial fisheries where all commercial harvesters fish under common and transparent rules;
- Greater certainty and stability for fisheries participants through implementing fisheries reforms, including a defined catch shares in the salmon fishery;
- Improved conservation outcomes and economic performance where all interests have greater confidence in the regime to manage fisheries resources and commercial harvesters operate with greater certainty of access;
- Enhanced accountability and trust among fisheries participants through a strengthened enforcement and compliance regime, with common and transparent rules for all, including improved catch monitoring, reporting, and fish traceability; and
- Improved collaboration, where fisheries interests work together to achieve sustainability while maximizing benefits from the resource.



Overall PICFI Principles

- Conservation of the fisheries resource is paramount
- Greater prosperity and economic outcomes
- Value for money
- Responsibility and collaboration
- Consistent with treaty approaches
- Participation is voluntary and inclusive
- Adaptive and Responsive
- Coordinated Delivery



Enhanced Accountability



Background

This element is key to:

- Achieving strengthened conservation outcomes.
- Supporting implementation of Defined Shares for salmon.
- Implementing integrated commercial fisheries with a common conservation framework, and similar and transparent rules for all participants.
- Providing the confidence and credibility around catch data that is critical to advancing with effective co-management processes.
- Enabling Traceability and eco-certification of B.C. seafood products.



Objectives:

- Increased and sustainable Fisheries Monitoring and Catch Reporting (FM & CR), with a focus on Pacific salmon.
- Enhanced Compliance Monitoring.
- Development of a Traceability Framework for Pacific Seafoods – to address food safety issues, eco-certification requirements, enable the tracking of legally harvested seafood products, and the identification of product not harvested in legal commercial fisheries.

Objectives are reflected in **3 main funding areas.**



1) Increased FM & CR

- Develop and implement strategies for improving FM&CR in priority fisheries:
 - Aboriginal FSC fisheries
 - Recreational – all species;
 - Commercial Fisheries (salmon, integrated groundfish, halibut, crab, and prawns);
 - Establish and implement catch monitoring and reporting standards
 - Improve FM&CR information management, clarify roles and responsibilities & executive/sector accountabilities for FM&CR.



2) Compliance Monitoring

- Foster compliance with monitoring and reporting requirements
- Provide compliance management in support of the evolving “defined shares” approach to integrated commercial fisheries
- Create a dedicated unit with specialized training and expertise in intelligence-led policing
 - this involves gathering and analyzing intelligence, identifying and targeting problems and evaluating results
 - will restrict the access of unlawful product to the commercial marketplace, removing the economic incentive for illegal harvest



3) Traceability Framework

- Includes the design and implementation of a program to enable regulators and certifiers to trace fish from the point of harvest to the point of final sale.
- Collaborative effort with Province, industry, CFIA, and others.
- Link with/complement national initiatives on traceability and eco-certification



Implementation Strategies

- Aboriginal component (e.g. FSC monitoring and reporting) must be coordinated with implementation of other PICFI elements and other Aboriginal programs.
- Implementation will be coordinated with other Area-based plans (e.g. for implementing defined shares, etc.)
- Collaborate on annual area-based plans, considering anticipated returns, to advance with defined shares, and providing the supporting EA framework
- **Must establish timelines and process for finalizing catch monitoring and reporting standards, implementing beyond Demonstration Fisheries.**



Challenges and Considerations

- Need to take a supportive and pro-active approach with First Nations with respect to FSC catch monitoring and reporting, and build relationships, especially in Lower Fraser.
- With FSC catch monitoring and reporting standards being developed, need to revisit requirements in AFS agreements, rationalize funding.
- Implementation plans for FM & CR will evolve to support advancement with defined shares, Co-management.



Challenges and Considerations:

- “Former William’s” funding (\$1.2 M/year) has not been incorporated into the 5-year plan – should it be addressed separately or within this plan?
- Mechanism needed for ongoing financial support for catch monitoring and reporting. e.g. cost recovery in recreational fisheries.
- For Traceability, clarify industry, BC, OGD’s and DFO roles and responsibilities.
- Staffing positions – new roles needed in C&P for intelligence-based work – challenges with classification and staffing.



Co-management





Objectives

PICFI supports co-management at two levels:

- 1) Co-management among First Nations:
supporting First Nations coming together to address common issues, and to coordinate and inform participation in multi-sector processes, and bi-lateral processes with government.
- 2) Co-management among all fishery participants:
aimed at broad multi-lateral processes, including First Nations, the recreational and commercial fisheries, the environmental community, other orders of government and the public in fisheries management decision-making.



First Nations Co-Management

Improve FN Co-Management in conjunction with AAROM by;

- Establishing Centers of Expertise to address areas of mutual interest between DFO and First Nations.
- Facilitating inter-tribal dialogue on policy development.
- Supporting ongoing input on the design and implementation of PICFI.
- Increasing effective involvement in existing processes.
- Holding Fraser watershed wide bi-lateral workshops to deal with difficult issues that are barriers to progress
- Supporting negotiations of defined economic shares and separation of FSC and economic access among Lower Fraser and Somass First Nations.
- Supporting the development and application of salmon share based management approaches in inland and coastal First Nations commercial fisheries.



Multi-interest Co-management

Improve multi-interest co-management by;

- Analyzing current processes for strengths, weaknesses and gaps, and making recommendations for improvements (engage FNs in analysis to obtain their perspectives on needed improvements).
- Supporting initiatives aimed at developing and implementing share-based management in the commercial salmon fishery, e.g. white paper.
- Supporting broad discussion among fisheries interests on potential new governance models. e.g. Integrated Salmon Dialogue Forum
- Supporting development of a Fraser River co-management strategy, including FN FSC planning.
- Providing front end funding to emerging integrated co-management processes. E.g. Skeena Watershed Initiative, Barkley Sound Round Table



Salmon Defined Shares

Proposed Approach

- A share based management approach for the commercial salmon fishery is under development to achieve the following objectives:
 - Wild Salmon Policy;
 - Fair and transparent mechanism to address First Nation treaty transfers; and
 - Commercial fishery self adjustment.
- The approach will be developed in a phased manner with funding in years 1 to 3 of PICFI being directed in support of engagement and demonstration fisheries.
- A share based management approach will be introduced late in year 3 of PICFI (2009/10). Details to be developed.
- This approach will be phased in over a 3 to 5 year period, with Phases 1 and 2 (years 4 and 5 of PICFI), being aimed at fisheries for which we have defined Total Allowable Catches (TAC's), robust in-season management processes and experience in demonstration fisheries.
- Technical work in support of share based management will be conducted in parallel with initial implementation. This phased approach is much like the strategy adopted for implementing the Wild Salmon Policy, and reflects a realistic assessment of DFO and fleet capacity to implement change in responsible manner.



Challenges and Key Issues

- State of readiness of First Nations to enter into more collaborative management approaches is uneven and ever-changing, making multi-year planning a challenge.
- Support for Fisheries Council among First Nations is equivocal.
- Capacity to effectively participate in a growing number of co-management processes is limited among stakeholders and government.
- Significant mistrust exists among fishery participants, and with DFO, with uncertain access rules being a significant factor in many fisheries.
- A number of factors are limiting progress on defined shares;
 - Technical complexity,
 - Poor long term outlook for the salmon fishery
 - First Nations governance capacity,
 - Commercial fleet ideological differences
 - Concerns about undefined recreational fishery share for chinook and coho.



Next Steps

- Develop application process and package for First Nations to access co-management funding, e.g. involvement in integrated commercial processes, centers of expertise.
- Work with Fisheries Council and their PICFI working group to evaluate options for defined salmon shares from a First Nations perspective.
- Circulate white paper for discussion in early 2009.
- Continue to build on lessons learned in planning demonstration fisheries for the 2009 salmon season.
- Support development of Fraser inter-tribal treaty process, as a necessary foundation for more integrated approaches in the Fraser.
- Be informed by next steps in the Integrated Salmon Dialogue Forum process in early 2009.

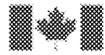


Access Acquisition



Objectives

- Acquiring a diversity of licences and quota to support viable and sustainable First Nations fisheries enterprises.
- Providing vessels and gear on a limited scale, in accordance with specific needs identified in approved business plans.
- Providing opportunities for commercial harvesters who wish to exit the industry.
- Increasing BC First Nations' participation in commercial fisheries coast-wide, including in-river commercial access to salmon.
- Greater certainty and stability around access for all commercial fisheries participants to support a more predictable business environment and encourage investment in the industry.
- Addressing salmon allocation and mitigation issues in the Lower Fraser River and the Somass River.



General Implementation Strategy

- Single integrated acquisition process for ATP and PICFI; licence retirement under PST must be tightly linked with this process.
- Based on lessons learned in ATP, a more efficient process has been established with independent advice on current licence and quota values.
- Adhere to criteria for “fair market value” in selecting access, and match with First Nations interests.
- A guideline of 15% of funding to be used for salmon access with the remainder to be used for a diverse range of coastal fisheries.
Strategic considerations follow.



Species Diversity

- Given approximate licence and landed values, need for flexibility and desire to transfer salmon shares upstream a notional split of 15% salmon and 85% non-salmon has been adopted to guide access acquisition to advance First Nation and DFO interests.
- For salmon:
 - access will primarily support in-river First Nations commercial opportunities (Skeena, Fraser)
 - access will be used to support the mitigation strategy for Lower Fraser & Somass – accommodating negotiated shares of commercial salmon species.
 - acquisition of salmon must remain in-step with shares being contemplated in the Coastwide Framework;
 - advance elements of Wild Salmon Policy (selective in-river/terminal harvest; and
 - the implementation of Defined Shares.
- For non-salmon:
 - Will support coastal First Nations attaining a diverse portfolio of marine species, consistent with their interests, and in support of greater long-term CFE viability.
 - Diversity of acquisition will also help to minimize inflationary pressures.



Salmon – Other Strategic Considerations

- The 15% allocated for the acquisition of salmon will bring more certainty and stability to the allocation of commercial salmon fisheries, particularly for Fraser bound sockeye.
 - Salmon access is being used to test the feasibility and manageability of in-river commercial fisheries which is key to creating working relationships among all commercial participants, and paving the way to the post-treaty fishery.
- Greater certainty and stability in salmon allocation is key to advancing the defined share management system and the effective implementation of integrated commercial fisheries.
 - The goal of defined-shares approach is to have commercial salmon harvesters managing their respective shares cooperatively in ways that ensure fairness, conservation, sustainability of the resource, and stable economic returns.
 - PICFI funding for co-management and accountability is critical in advancing relationships and the confidence of harvesters that all participants are fishing to their share.



Non-salmon – Other Strategic Considerations

- Coastal First Nations have strong involvement with the commercial salmon and herring fisheries, both experiencing decline in viability.
 - There is a clear desire of coastal First Nations to diversify to other more lucrative species like halibut, sablefish, geoduck, prawns and crab.
- First Nations seek flexible approaches to fishing some species to distribute benefits across community, e.g. splitting crab trap limits.
 - DFO has indicated that such commercial reforms must not increase fishing pressure, must be enforceable and well monitored with common rules, and be developed in collaboration with all commercial harvesters.
- Due to inexperience and lack of capacity, some access provided through the Allocation Transfer Program (ATP) has been consistently leased out and has not been fished in the community holding the licence
 - PICFI was designed to address this problem by providing vessels and gear as appropriate and training through a variety of methods, including at-sea mentoring.



Challenges

- Licencing rules – complexities create challenges for relinquishment process.
- May be difficult to acquire adequate amounts of sought-after licences and quota for more lucrative fisheries.
- DFO may hold a large amount of access as Commercial Fisheries Enterprises are being established over the coming 2 years; short-term distribution is challenging.



Capacity Building





Background

- The capacity building element of PICFI is designed to provide eligible First Nations with the tools necessary to support successful and sustainable community owned and operated commercial fisheries enterprises established or supported through PICFI.
 - Commercial Fisheries Enterprise (CFE) Operations is intended to provide First Nations with financial assistance to establish business management structures and practices to make effective business decisions, as well as, some support for business operations.
 - Fisheries Training is intended to assist eligible First Nations members to obtain the skills necessary to actively fish the access obtained through PICFI safely and effectively in various fisheries.



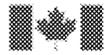
Implementation Strategy

- Five step process for establishing a PICFI CFE:
 - Step 1 - Expressions of Interest
 - Step 2 - Business and Training Plan Development
 - Step 3 - establishing CFE as legal entity;
 - Step 4 - business operations, including fisheries training and mentoring.
 - Step 5 - On-going reporting and monitoring
- Steps 2, 3 and 4 are funded activities
- Strict criteria for groups to advance through the 5 step process of establishing a PICFI CFE:
 - Clear separation between business and politics
 - Well documented description of how business will be operate and how benefits will be distributed
 - Must have support of communities



Implementation Strategy

- Aggregate approach to establishment of CFEs:
 - support for a limited number of First Nation CFEs (10-15) -- requires First Nations coming together to establish CFE on coastal/watershed basis.
 - Achieve economies of scale and greater species diversification.
 - Individual First Nations with established and successful fisheries enterprises may be eligible for additional access if criteria met.
- Anticipate 10 coastal groups and 5 in-river.
- Possibility of some individual First Nations being eligible for access if they have existing commercial fisheries operations and meet PICFI criteria – possibility of 5.
- Business and training plans will be evaluated by an independent team with business, financial and commercial fisheries expertise.



Expressions of Interest (EOI)

- 5 EOIs from Coastal aggregate groups received:
 - Nuuchahnulth (6 communities); Central Coast (Heiltsuk, Kitasoo/Xai'Xais, Nuxalk, Wuikinuxv); Atlegay; North Coast-Skeena First Nations Stewardship Society; Haida
- 4 EOIs from individual Coastal First Nations:
 - K'moks; Kwakiutl First Nation; Namgis; HFC/Kitamaat
- No expressions of interest from interior groups, however, anticipate several in next few months:
 - Skeena Fisheries Commission
 - Secwepemc
- Nuuchahnulth EOI only one approved to date, entering into CA to support business and training plan process



Business and training Plan Evaluation

- The Business and Training Plan Evaluation Team will be made up of a team of four Senior Financial Analysts selected from the following BC Aboriginal Capital Corporations:
 - Tribal Resources Investment Corporation (TRICORP), North Coast.
 - All Nations Trust Company (ANTCO), BC Interior.
 - Tale'awtxw Aboriginal Capital Corporation (TACC), South Coast.
 - Nuuchahnulth Business Development Corporation (Vancouver Island).
- All four team members will participate in the evaluation of PICFI Business Plans.
- An overall coordinator will oversee and coordinate the evaluation process – Price Waterhouse.
- Meeting planned for early-January to finalize approach in order to be able to evaluate business plans in time for February.



Marine Commercial Fisheries Mentoring

- Request for Proposals (RFP) launched late November for a service provider to deliver train-the-trainer training sessions and a one-day practicum to certify mentors.
- December 11-12 workshop to advance training and mentoring element with BC First Nation organizations:
 - Participants largely First Nation Commercial harvesters
 - Objective is to review training plan guide and template, process for developing and deploying Mentors in communities, and tools support the process (checklists, mentor prerequisites).
- Service provider in place January and will be working toward having a “pilot” train the trainer session in March.
- Will seek to establish Training Technical Advisory Team to Advise CFEs on the development and deployment of their plans.



Strategic considerations/challenges

- Aggregate delivery – funding sensitive to assumptions around number of participants
 - area coordinators to encourage aggregation of First Nation – steer individual communities to potential aggregates or ATP).
- Anticipated funding for capacity building exceeds amount allocated by about \$3M
 - Assumes that all groups are funded to the maximum / will seek to coordinate delivery among DFO programs (AAROM, AFS, ATP) / WEDs Westcapp initiative could alleviate pressure.
 - Will likely need to reallocate funds from other PICFI elements – co-management or access
- Timing of groups entering into process may not materialize as anticipated
 - Strategy to reallocate funds to acquisition of access element / carry-forward through the Adjustment to Reference Levels Update (ARLU)



Distribution of Access





Key Considerations

- Limited amount of funding will make it difficult to meet all expectations of groups --No matter the approach chosen, there will be some discontent.
- Issue of developing notional distribution on a geographic level was subject of discussion with members of the BC Leadership Council's PICFI Working group.
 - The working group was unable to develop an approach – no agreement reached.
- Several key issues to consider in the distribution process:
 - Aggregate approach to delivery critical -- key to ensuring that groups advancing to final step have adequate access and diversity of species.
 - Strict criteria driven approach is essential to delivering access (business plan; feasible; governance structures).
 - Distribution of access must also address government interests (e.g., treaty framework, amount of communal access already held, risk management).
 - Need to ensure that access available for last group to sign on.



Some working assumptions...

- Anticipating 15 aggregate groups (10 coastal/5 in-river) submitting Expressions of Interest and meeting criteria.
- Some individual Coastal First Nations may be eligible to receive access if they have existing Commercial Fisheries Enterprise to build upon and meet governance criteria.
- \$15M notionally allocated to acquiring commercial salmon access to support in-river commercial fisheries ~ \$3M average.
- \$90M in access funding available for Coast groups ~ assume 10 groups and 5 individual First Nations.
- Notional allocations:
 - Individual First Nation CFEs: Average \$2M in access per CFE – \$10M total notional allocation
 - Aggregate CFE: Average \$8M in access available per aggregate – \$80M total notional allocation



- Factors which will influence ultimate level of access provided under PICFI may include:
 - amount of communal access already received through ATP;
 - the size of the aggregate; and,
 - Treaty framework/risk management considerations.

Strategy for Delivery...

- Upon approving an expression of interest, indicate to aggregate groups that a base amount of access funding (e.g., \$4 to \$5m) will be notionally allocated to the group for business plan development purposes.
- If the business plan is approved and the CFE established as a legal entity, an amount of access consistent with the funds notionally allocated would flow.
- The commitment would only be to the notional amount but the door would be left open for more access in the future.
- Approach will manage expectations and provide a concrete starting point for access for the development of the business plans.
- If fewer groups than anticipated meet the eligibility criteria, unallocated access could be distributed to active groups in year 5.
- Need to determine how best to communicate approach to First Nations