
EVALUATION
DIRECTORATE

DIRECTION GÉNÉRALE
DE L'ÉVALUATION

EVALUATION OF THE
PACIFIC INTEGRATED COMMERCIAL
FISHERIES INITIATIVE
PROJECT 6B119
FINAL REPORT
AUGUST 31, 2010



Fisheries and Oceans
Canada

Pêches et Océans
Canada

Canada 

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LIST OF ACRONYMS

AAROM	Aboriginal Aquatic Resource and Oceans Management
ADM	Assistant Deputy Minister
AFS	Aboriginal Fisheries Strategy
AICFI	Atlantic Integrated Commercial Fisheries Initiative
APG	Aboriginal Policy and Governance
BDT	Business Development Team
CFE	Commercial Fishing Enterprise
DFO	Department of Fisheries and Oceans
DG	Director General
DM	Deputy Minister
FAM	Fisheries and Aquaculture Management
FN	First Nation
FNFC	First Nations Fisheries Council
FY	Fiscal Year
HRSDC	Human Resources and Skills Development Canada
IACMF	Integrated Aboriginal Contribution Management Framework
INAC	Indian and Northern Affairs Canada
ITQ	Individual Transferable Quota
NHQ	National Headquarters
PICFI	Pacific Integrated Commercial Fisheries Initiative
RBAF	Results-Based Audit Framework
RDG	Regional Director General
RHQ	Regional Headquarters
RMAF	Results-Based Management and Accountability Framework
TAC	Total Allowable Catch
WED	Western Economic Diversification Canada

1 EXECUTIVE SUMMARY

1.1 INTRODUCTION

The Pacific Integrated Commercial Fisheries Initiative (PICFI) was approved by the Treasury Board in 2007. This initiative is aimed at achieving environmentally sustainable and economically viable commercial fisheries, where conservation is the first priority and First Nations' (FN) aspirations to be more involved are supported.

The Government of Canada has committed \$175 million over five years to implement the initiative. PICFI builds on fisheries reform work begun in response to the 2004 reports of the First Nations Panel on Fisheries (appointed by the First Nations Summit) and the

Joint Task Group on Post-treaty Fisheries (a joint study commissioned by the Government of Canada and the Government of British Columbia).

Although this is a formative evaluation, upholding commitments made in the RMAF/RBAF, it will also address Value for Money as stated in the new 2009 Treasury Board Policy on Evaluation.

1.2 KEY FINDINGS

Design and Implementation

Aggregates of First Nations

- The value of larger aggregate bodies and the economies of scale available through large Commercial Fishing Enterprises (CFE) may vary by fishery. Sustainable aggregates will take time to form based on FNs trying to establish workable relationships. DFO, through the Expression of Interest (EOI) and business plan process, indicated a policy of encouraging the creation of aggregates without providing clear direction and guidance. For example, this approach did not include criteria such as acceptable band size (population) and number of bands in an aggregate or offer a clear definition of aggregate to distinguish a PICFI aggregate from an AAROM aggregate.
- The potential for cooperation between bands outside of formal aggregation of the CFE management has not been sufficiently stressed or encouraged. For example, there may be cases where DFO, through the overview provided by its role in the review of applications and plans, notices potential opportunities for arrangements between FNs.

Consultation, Planning and Communication

- The consultation process undertaken by PICFI to support the design of the program initially received praise from FNs and other stakeholders. However, as PICFI was implemented, the quality and intensity of consultation decreased. Furthermore, advice and guidance provided by FNs were not always addressed, and follow-up sessions often consisted of PICFI informing stakeholders only of what was essentially expected of their participation. This situation may have been further exacerbated by the lack of a full time co-management lead early on to help build the necessary relationships with FNs and other stakeholders.
- An example and consequence of the lack of consultation is the manner in which licences and quota were relinquished through PICFI's Access component. Due to delays in the EOI process, this was undertaken prior to clarifying the needs of FNs. PICFI was heavily weighted towards the front end delivery of the access acquisition component in the transfer payment agreement. However, the delays caused by this situation along with waiting for RHQ and NHQ considerations for approval for FNs

to obtain access to interim quota resulted in FN fishermen having to decide whether to fish at the end of the season, when weather may restrict their opportunities, or face negative economic consequences.

- The training of mentors is a complex issue and may benefit from consultation on key questions. For example, are mentors working with boats and in fishing grounds they are familiar with? Does mentoring take into account the BC and FN tradition of training on a retiring fishermen's boat and ensure long-term availability of mentoring within a coastal community? Fishermen develop local knowledge over their career, and that is where they would be most valuable. Although the current approach to training mentors may be the only option available for establishing a fishery in the interior initially, the traditional approach should be encouraged for the long term.
- Although some innovations have been supported, DFO demonstration fisheries, largely provided through access to commercial fisheries, may not take into account FN knowledge and experience, particularly in terms of FN fishing techniques, which in some cases are more relevant to supporting the recommended conservation and ecosystem-based shift to terminal fisheries for salmon in the interior than the current practices. For example, some key informants felt that insufficient attention was paid to in river live-capture methods.
- PICFI communication, external and internal, was cited by a number of staff in the area office as being unclear with regards to direction or expectations.

Moving towards a terminal fishery

- Evidence from key informants and the literature review indicates that moving towards a terminal fishery for salmon should lead to significant benefits from increased selectivity and lower costs of capture, although there may be some cases where an ocean fishery is optimal. Since the terminal fishery has the potential to benefit many FN communities, and the ocean salmon fishery has been suffering from poor spawning returns and excess capacity, an opportunity exists for very significant transition through PICFI. It is noted that challenges to this transition exist. For example, some coastal bands are concerned that they will benefit little from PICFI if salmon quota transfers to them are less than they would be without a terminal fishery. These bands often expressed interest in diversification toward other species.

Expressions of Interest and Business Plans

- The response to submitted Expressions of Interest (EOI) was slower than expected by program participants. For example, it took an average of 8.3 months for PICFI to approve an EOI, which was felt by many program participants to be longer than necessary for the amount and nature of information under review.
- The EOI had information requirements that would have been more appropriate for Business Plans (BP) and was not funded.

- It is noted that there have been capacity challenges for DFO staff to design, develop and undertake the business planning process for the review of expressions of interests and business plans in Pacific RHQ and area offices. This has been evident from the extension of EOI and business plan deadlines, along with the unclear criteria and expectations provided to FNs and area office staff by Pacific RHQ, and from the lack of timely feedback to FNs on EOIs.

Cooperation and Partnering

- DFO's traditional mandate that only supports capacity building in terms of providing harvest opportunities makes it difficult to establish a viable fishery in the interior where the abundance of salmon can be limited; and the supply for commercial needs can vary drastically from year to year. With this limited catch, FN enterprises will need to rely on ensuring high quality to fetch the price to make sure their fishery is viable. However this is difficult to do, due to the lack of critical infrastructure such as ice machines and access to processors. The majority of processing facilities are more than 4 hours away so that FNs incur the costs for transportation and must gain access to them, usually through a broker, while at the same time preserving the freshness and value of the fish. This therefore limits FN enterprises' ability to fully participate in the value chain, and limits their ability to participate in the marketplace.
- Initial consultations with other federal departments were not continued sufficiently to develop effective partnering arrangements that could have led to increased opportunities to leverage funding and help FNs establish viable fisheries and gain access to markets.
- The Fraser River Salmon Table report "River to Plate: A Program Vision for Sustainable Economic Opportunities in Fraser River Salmon Fisheries" presents a strategy for PICFI to consider, including a model for partnership and for leveraging funds from other sources to improve the quality of traceability and create viable, sustainable fisheries.
- Progress toward successful, viable, and sustainable Commercial Fishing Enterprises may be facilitated by support for development of capable FN commercial enterprise governance capacity through other government programs.

Lessons Learned from the Atlantic Integrated Commercial Fisheries Initiative (AICFI)

- The overall program design has developed in a similar way to the AICFI model, although the Pacific Coast fishery has a number of differences from that of the Atlantic. The AICFI program has significantly benefited from experience in developing the approach and tools for capacity building made available through the Marshall Response Initiative and the accompanying initiatives. Lessons learned can be taken from the AICFI approach to capacity building that may be valuable when incorporated into the context of the Pacific Coast Fishery.

- The AICFI approach to business plans, which were prepared by the community with support from Business Development Teams (BDT), appears to have been quite successful and provides a lesson learned for PICFI.

1.3 RELEVANCE

PICFI is aligned with DFO priorities and supports the strategic objectives of Sustainable Fisheries and Aquaculture. The initiative is a central component of fisheries reforms intended to secure long-term ecological and economic sustainability of Pacific fisheries. It is part of an overall approach to Pacific Fisheries Reform efforts to effectively manage healthy ecosystems and shared resources. PICFI is a key initiative that supports First Nations' desires for greater participation in commercial fisheries through integrated fisheries management.

PICFI supports the long-term objectives of Pacific Fisheries Reform and there is broad agreement among stakeholders, both internal and external, that there is a continued and actual need for PICFI. The objectives of PICFI, which include spearheading the goals of Pacific Fisheries reform, are complex and multi-faceted. Fulfilling these objectives requires significant time and effort to promote the necessary changes in attitudes and behaviour amongst the various sectors: FN, commercial, recreational, Governments, and NGO's. PICFI has had some success in meeting its goals, particularly the acquisition of access, however, key informants felt that it will take time before the program's planned objectives are achieved.

1.4 PERFORMANCE - EFFECTIVENESS

PICFI's effectiveness to date has been mixed. PICFI is making some progress towards licence acquisition and access, co-management processes and Aboriginal governance structures. PICFI is making significant progress in licence acquisition. To date PICFI has acquired 224 signed relinquishment agreements and has offers out to approximately 3,000 licence holders. However, progress towards FN access has been slower than anticipated. While 6 long-term access agreements are currently in negotiations, none have yet been approved. Progress has also been slower than expected with regards to the development of Aboriginal capacity building and governance structures

1.5 PERFORMANCE – EFFICIENCY AND ECONOMY

Relatively few key informants ventured a definite opinion on efficiency or economy. Considering only those who did, 13 out of 20 thought that the program was efficient and 12 out of 21 thought that it was economical. The acquisition of access was cited by some key informants as an element that was being run with efficiency and economy.

1.6 RECOMMENDATIONS

Recommendation # 1:

DFO should show more flexibility on any requirement for Aggregate Bodies, and any criteria, for example on minimum numbers of bands, should be developed in consultation with FNs and communicated to FN clients. At the same time, fruitful collaboration might be encouraged simply through sharing information on potential opportunities.

Recommendation #2:

DFO should consider ways to improve consultation and communication, possibly through a steering committee that includes FN representation. Increased cooperation with the First Nations Fisheries Council should be considered. Consultation should include the following areas:

- Strategic planning for facilitating relinquishment of licences and quotas (the relative amount of various species to meet FN and DFO objectives);
- Interim access in order to provide timely access to FNs with the capacity to fish licences and quota that have been acquired;
- Encouragement of a mentoring system based on the traditional approach;
- Demonstration fisheries that take into account traditional methods and knowledge.

Communication between RHQ and area offices should be improved, particularly with respect to any requirements from FNs.

Recommendation #3:

PICFI should lead a move toward a terminal fishery for salmon, offering more support for this transition through all elements of the initiative. Decisions on a balance between ocean and in-river allocations should be made in consultation with FNs. The transition should be coordinated with licence acquisition, so that appropriate species are available to mitigate any potential loss to FNs that might otherwise have received increased allocations to fish for salmon in the ocean.

Recommendation #4:

DFO should streamline application/approval processes and ensure adequate funding or support capacity to meet the demands that this process places on FNs

- All criteria against which EOI are evaluated should be clearly communicated. FN communities should receive adequate explanation of and justification as to why their EOIs have been declined or approved. For example, any requirements for Commercial Fisheries Enterprise (CFE) structure and definitions should be communicated clearly (including through consultation), and flexibility should be given to the communities over CFEs Structures.
- Lessons learned from the EOI application and evaluation process should be applied to any future activity, particularly with respect to Business Plans. Requirements and

evaluation criteria should be clear, information requested from FNs should be consistent and adequate to apply the review criteria, the review process should be organized to function as quickly and efficiently as possible, and response to enquiries should be timely.

- Funding to FNs should be adequate to meet the demands of Business Plan development.

Recommendation #5:

DFO should continue to investigate the potential for cooperation with other departments in this area, including INAC, WED, HRSDC, Industry Canada and other levels of government, and also explore the possibility of interpreting the department's mandate as allowing for the provision of assistance to FN fishers to participate in the value chain and gain greater market access. DFO should consider working with the Treasury Board Centre of Expertise in Grants and Contributions to facilitate interaction regarding INAC's proposed sector-oriented aboriginal economic development program, which might address limited departmental mandates and contribute to a whole-of-government view of strategic outcomes.

Recommendation #6:

The ACFI model should be used judiciously. Lessons may be learned in the area of Business Plan development. Consideration should be given to involving Aboriginal organizations (e.g. Aboriginal Capital Corporation, Northern Native Fishing Corporation etc.) that have experience in providing business development support services to FN communities. In particular, Business Development Teams (BDT) under Aboriginal organizations should be considered. The AICFI experience with BDT should be reviewed for possible lessons that could be applied to PICFI.

Recommendation #7

DFO should plan for the continuation of PICFI activities after the 5-year program ends, contingent on available resources.

- An extension or renewal of PICFI would be the most effective way of doing this
- PICFI long-term activities such as co-management, CFE capacity building, and enhanced accountability and monitoring should be continued in one form or another within DFO
- If FN participation beyond what can be accomplished by the current program becomes an accepted goal of the Canadian Government and DFO, then consideration should be given to extension of the PICFI program to accomplish this.

2 INTRODUCTION

2.1 BACKGROUND

Program Overview

The Pacific Integrated Commercial Fisheries Initiative (PICFI) was launched in 2007. The overall objective of PICFI is to support advancing broader reforms to Pacific fisheries and to provide greater certainty and stability around Aboriginal and non-Aboriginal participation in integrated commercial fisheries in advance of treaty settlement. PICFI is a \$175 million, 5-year initiative, developed to support the implementation of reform, which includes the following four elements; FN Participation in Integrated Commercial Fisheries, FN Capacity Building, Fisheries Accountability Measures and New Pacific Co-Management Models.

While PICFI falls principally under the mandate of Aboriginal Policy and Governance (APG), it is not limited to aboriginal programming, but relates to all Pacific fisheries management programming under the auspices of Fisheries and Aquaculture Management (FAM)¹. The PICFI mission is a key driver for securing the long-term economic viability of BC commercial fisheries and the sustainability of fisheries resources. The program lays the foundation for greater certainty for all industry participants, FN and non-FN, through working together on harvest strategies to maximize the value of commercial fisheries within the context of sustainability.

In terms of the Department of Fisheries and Oceans (DFO) Program Activity Architecture (PAA), PICFI is an enabling sub-sub-activity linked to the Aboriginal Policy and Governance (APG) sub-activity through the building of FN capacity to participate in the commercial fisheries and increasing FN participation in multi-stakeholder co-management of the fisheries in support of the overall program activity, Fisheries and Aquaculture Management (FAM). The FAM program activity is a major component of the Department's PAA Strategic Outcome, Sustainable Fisheries and Aquaculture (SFA). PICFI is included under the Integrated Aboriginal Contribution Management Framework (IACMF), and is expected to contribute to the IACMF outcomes of economically prosperous maritime sectors and fisheries and healthy and productive aquatic ecosystems.

In addition, PICFI supports the enhancement of fisheries management accountability measures that will create a more rigorous accountability framework to increase trust and transparency amongst harvesters and stakeholders in the BC fisheries.

As PICFI was launched in 2007, prior to the implementation of the new Transfer Payment Policy (2008), Treasury Board requires DFO to uphold the evaluation commitments made in the PICFI RMAF/RBAF in accordance with the previous Transfer Payment Policy (2001) which requires the conduct of a formative (fall of 2009) and summative evaluation (fall of 2012) in 2009/10 and 2012/13, respectively. In addition to

¹ Under the 2010 DFO reorganization PICFI falls under Aboriginal Programs and Governance, Ecosystems & Fisheries Management Sector.

the evaluation issues referenced in the PICFI RMAF/RBAF, this evaluation addresses Value for Money as stated in the new 2009 Treasury Board Policy on Evaluation.

Program Profile

PICFI is managed within the Fisheries and Aquaculture Management sector of DFO. The Director General of Aboriginal Policy and Governance has lead responsibility for overall management of the program. Operational costs include funding for salaries, consultants, workshops, travel and translations.

The initiative is run from national, regional and area offices. At the national level, the Assistant Deputy Minister (ADM) of Fisheries and Aquaculture Management (FAM) is co-chair of the PICFI Steering Committee and is responsible for strategic direction and priorities and national level policy. The Director General of Aboriginal Policy and Governance (DG, APG), is responsible for developing PICFI policy and provides program design and ongoing advice to the PICFI Steering Committee. The Director, PICFI (APG) provides advice and recommendations to the DG, APG on the direction of program delivery and liaises on an ongoing basis with the Regional PICFI Manager.

At the regional level, the Regional Director General (RDG), Pacific Region, is co-chair of the PICFI Steering Committee and responsible and accountable for providing strategic direction and operational policy and program direction consistent with broader regional initiatives. The Regional Director (RD), PFR is responsible for overall coordination and integration of PICFI implementation in the region. Directors of Area Offices, with the support of one PICFI coordinator per area, are primarily responsible for the interface with Aboriginal groups not operating at a regional level and with area-based clients.

Governance Structure

Several levels of committees and working groups, spanning from the ADM and RDG levels to the working level, guide PICFI implementation.

The PICFI Steering Committee, co-chaired by the RDG and the ADM, FA. is responsible for providing program policy advice, strategic direction and priorities, oversight to the ongoing application of the PICFI Management Control Framework and the review and approval of 5-Year Plans.

The Way Forward Committee, chaired by the RDG Pacific Region, provides ongoing direction on operational policies and regional PICFI program priorities. The Committee also provides direction on the broader evolution of regional programs and initiatives in support of PFR. The Regional PICFI Manager chairs a PICFI Working Group composed of designated Pacific Region staff, including all Element Working Group Chairs as well as the RD PFR, and APG Director.

In addition to the internal committee and working group structure described above, the PICFI Steering Committee and Way Forward Committee periodically seek the advice of

the following external stakeholder committees: *Joint Technical Advisory Committee; Federal-BC Provincial Consultative Committee; Inter-departmental Sub-Committees.*

Funding sources

On a cash basis, the total cost of this initiative is \$17,105,276 for FY 2007-2008, \$34,604,824 for FY 2008-2009, \$47,528,900 for FY2009-2010, \$41,330,500 for FY 2010-2011 and \$34,430,500 for FY 2011-2012, including employee benefit plans and accommodation premiums. The source of funds is the fiscal framework.

2.2 EVALUATION OBJECTIVES

In accordance with the Treasury Board Secretariat *Policy on Evaluation* this evaluation will address value for money by providing clear and well-founded conclusions about the relevance and performance of PICFI. The evaluation will address the core issues identified in the following table:

PACIFIC INTEGRATED COMMERCIAL FISHERIES INITIATIVE (PICFI)	
CORE ISSUES	
RELEVANCE	
Issue #1: Alignment with Federal and DFO Roles and Responsibilities	Assessment of the role and responsibilities for the federal government and DFO in delivering the program.
Issue #2: Alignment with Government and DFO Priorities	Assessment of the linkages between program objectives and (i) federal government and DFO priorities and (ii) departmental strategic outcomes.
Issue #3: Continued Need for Program	Assessment of the extent to which the program continues to address a demonstrable need and is responsive to the needs of the DFO and Canadians.
PERFORMANCE	
Issue #4: Achievement of Expected Outcomes	Assessment of progress toward expected outcomes (including immediate, intermediate and ultimate outcomes) with reference to performance targets and program reach, program design, including the linkage and contribution of outputs to outcomes.
Issue #5: Demonstration of Efficiency and Economy	Assessment of resource utilization in relation to the production of outputs and progress toward expected outcomes.

2.3 METHODOLOGY

An approach using multiple lines of evidence was taken. Recommendations are based on objective, quantitative, and documented evidence. The questions studied were based on the four broad topic areas, relevance, effectiveness, efficiency and economy, outlined in the Treasury Board Secretariat's evaluation policy.

2.3.1 *Methods Used*

The six lines of evidence utilized by this evaluation include:

- Document Review
Primary documents, both public and internal to DFO, pertaining to PICFI;
- Literature Review
Current literature on issues pertaining to PICFI; special attention was paid to academic literature focusing on salmon fisheries, ITQs and terminal fisheries;
- Expert Essays
Two essays written by experts in fisheries and issues affecting FNs were commissioned by this evaluation (Colin Clark² and Russ Jones³);
- Case Study
A case study was conducted on the EOI and Business plan submission process;
- Focus Group
A focus group was conducted with nine members of various Pacific Coast FNs bands;
- Key Informant Interviews
Key informant interviews were conducted with 68 individuals; interviewees include 36 DFO staff or internal consultants and 32 external and First Nations stakeholders or their representatives.

2.3.2 *Limitations*

Internal key informants were primarily selected based on collaboration with the NHQ office. External key informants and focus group participants were selected using a snowball methodology. Every effort was made to ensure that the individuals interviewed were representative of the diversity of coastal and interior FNs, and other program considerations. However, some selection bias is possible and the views of interviewees would reflect that. The experts commissioned to write opinion essays on issues pertaining to PICFI are well regarded in their respective fields. However it is important to note that

² Colin Clark is Professor Emeritus at U.B.C. His research includes the economics of natural resources.

³ Russ Jones, also known as Nang Jingwas, is a Hereditary Chief from Skidegate. He earned a Master's degree in Fisheries from the University of Washington in 1988.

their backgrounds may influence both their choice of essay topics and their eventual conclusions.

3 OBSERVATIONS AND RECOMMENDATIONS

3.1 PROGRAM RELEVANCE

Are the objectives of PICFI still relevant to departmental and government objectives and priorities?

PICFI is aligned with DFO priorities and supports the strategic objectives of Sustainable Fisheries and Aquaculture. The initiative is a central component of fisheries reforms intended to secure long-term ecological and economic sustainability of Pacific fisheries and is part of an overall approach to effectively manage healthy ecosystems and shared resources. PICFI is congruent with the guiding principles of Canada's Policy for the Conservation of Wild Pacific Salmon Policy and is in alignment with departmental aboriginal policy which includes a focus on the key cross-priority issues of Aboriginal Policy and Governance and supports First Nations' desires for greater participation in commercial fisheries through integrated fisheries management.

Do the activities of PICFI program complement, overlap with or duplicate other programs of DFO or other federal government departments?

The initiative compliments programs within DFO and other federal government departments. PICFI is congruent with AAROM and incorporates the ATP approach to fisheries management. Some interviewees expressed frustration at the lack of integration between DFO and other departments such as INAC and HRSDC with regards to communication and program funding.

To what extent does the PICFI continue to meet federal priorities?
Is there a continued need for the PICFI?

PICFI is on track to continue to meet federal priorities. Planned results for PICFI are the following:

Deliverables or Milestones⁴

2009-2010	2010-2011	2011-2012
About 140 licences (and quota) for diverse commercial species — halibut, prawn, crab, sablefish, sea urchin, rockfish, salmon, etc. acquired	About 120 licences (and quota) for diverse commercial species — halibut, prawn, crab, sablefish, sea urchin, rockfish, salmon, etc. acquired	About 100 licences (and quota) for diverse commercial species — halibut, prawn, crab, sablefish, sea urchin, rockfish, salmon, etc. acquired
Eleven more First Nations Commercial Fisheries Enterprises have been set up as legal entities (total to date = 13)	Two more First Nations Commercial Fisheries Enterprises have been set up as legal entities (total to date = 15)	

The commissioned expert essay on PICFI by Russ Jones stated that there is a continued need for the initiative as it has been slow to transfer access to commercial fisheries to First Nations participants. Furthermore, allocation transfers through “buy-backs” can reduce the potential for conflict between First Nations and non-Aboriginal communities by minimizing the impact of allocation change on non-First Nations fishers.

Overall, does the PICFI make sense in terms of departmental objectives, priorities and strategic outcomes?

DFO has committed to developing a new model for fisheries management that is more flexible, strategic, and responsive to the diversity of groups seeking input into fisheries management decisions. The enhanced accountability measures contained within PICFI address the need for enhanced monitoring, catch reporting and enforcement as part of a progression towards traceability to track the movements of fish from harvest to final sale. Interviewees and focus group participants pointed to the current economic climate and stated that the initiative could prove helpful in building economic capacity in FN communities.

Are there options for making PICFI more responsive to the needs of the DFO and Canadians?

The consensus among both focus group participants and interviewees is that there is a continued need for PICFI.

⁴ “2009-10 Report on Plans and Priorities,” Fisheries and Oceans Canada, <http://www.tbs-sct.gc.ca/rpp/2009-2010/inst/dfo/dfo-eng.pdf>

3.2 PROGRAM DESIGN AND DELIVERY

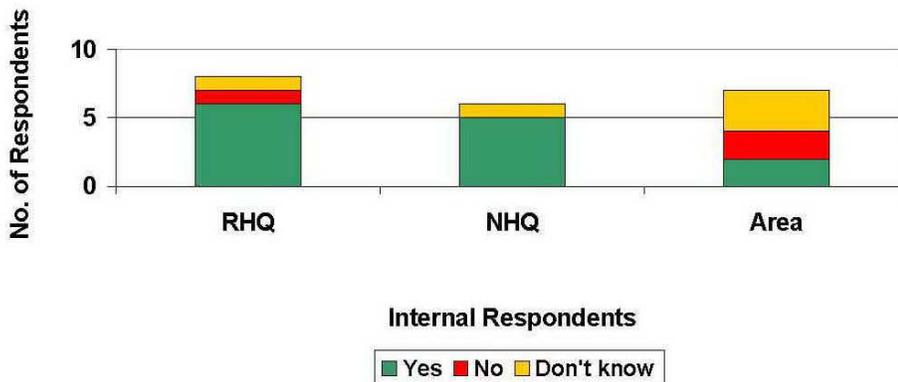
To what extent is the PICFI governance structure well designed and implemented to ensure effective and efficient program delivery?

Design

The PICFI Governance charter defines the roles and responsibilities of NHQ, RHQ and Area offices by sector and unit. Forums such as the PICFI Working Group offer a venue to share ideas and enable leads to provide guidance and acquire regular feedback from sectors and areas. The challenges of integrating and implementing this governance structure stem primarily from internal DFO communication difficulties.

Delivery

Figure 1: Has the committee and working group structure been effective in managing and implementing key components of PICFI?



When asked about the efficacy of the working group structure, most RHQ and NHQ respondents answered “Yes”. Area staff responses are mixed.

Committees and Working Groups

Advantages of a committee and working group structure include the establishment of a horizontal and integrated approach for decision-making and ongoing administration at the national, regional, and area level. Key informants noted positively the promotion of regular internal communications from working group component leads. Working groups also connect issues from the area and NHQ perspectives down to the working level and provide input by external groups that feed into the PICFI process.

A disadvantage noted by key informants is the overlap of membership on both the Steering Committee and Operations Committee. Also cited were difficulties with PICFI’s development of working relationships with other sectors involved with the enhanced

accountability component, time devoted to regular meetings and the availability of key staff. Although most external key informants did not comment extensively on specific aspects of the governance structure, criticism was raised regarding DFO's lack of engagement with other federal agencies, levels of government and NGOs (See Recommendation #5).

What are the challenges/benefits with the current program design, and would an alternative program design or delivery mechanism be more appropriate to achieve the expected results?

Aggregates of First Nations

According to many key informants, a major challenge in PICFI program design is the method used to accommodate the large number of First Nation bands in British Columbia. Part of the program design has been to support the development of FN-owned and operated CFEs at an aggregate level rather than an individual band level. Individual FNs may be eligible, but only under certain conditions that may include having an existing communal CFE currently in operation.

The most common rationale for aggregation given by internal key informants was the difficulty and cost of providing support through PICFI to large numbers of individual bands. Other issues raised by internal key informants were the difficulty of finding natural aggregates, a lack of governance capacity as a barrier in forming aggregates, and the difficulty in forming aggregates within the program time frame.

External key informants were usually much less approving of the DFO policy on aggregates, sometimes referring to the low overhead of a small business and the flexibility when required to adjust to hard times. Some suggested that overarching cooperation on some aspects of the business without the CFE being formed by an aggregate would be more appropriate and less risky. As with external key informants, there was concern that the short time frame might require bands to get together in a group that does not naturally align politically or otherwise. One key informant suggested that FNs were making progress toward forming more natural aggregates for multiple purposes. The lack of clarity and logic on aggregates was also criticised by the external group. Some felt that large numbers of small bands were preferred to large single bands, questioning the logic. Others simply referred to confusion on what the actual requirements were.

There were suggestions for improvement. Flexibility on aggregates that takes into the account the type of fishery was suggested, along with an example proposing that seiner operations are more natural for aggregates than halibut long lines or gill nets. A suggestion for encouraging aggregation that does not involve restrictions in the application process was also provided by an external key informant. In the case of individual proposals that show similarity, the reviewers could suggest that the bands submitting the proposals get together and consider a joint proposal. The operation of

DFO's Allocation Transfer Program (ATP) component of the Aboriginal Fisheries Strategy (AFS) was cited as an example where this approach was sometimes used.

Another line of evidence on aggregates comes from the focus group of FN clients. Examples were given of bands with an Economic Development Corporation that were ready to fish and were being told that they did not have the capacity required for PICFI support.

The literature review also provided evidence that calls into question the PICFI position on aggregates, particularly the argument concerning economies of scale. There may be other issues that are sometimes critical in the multifaceted B.C. fishing industry. For example, Pacific Seafoods, a small company with a workforce of 20-40 persons producing and marketing smoked salmon, operated profitably through a 20-year history based in Sidney, a small town about 20 kilometres north of Victoria. Production acumen, with attention to costs, and nimble decision-making on marketing, sourcing, and processing appeared to be an advantage conveyed by its relatively small size.

As a final line of evidence concerning aggregations, we note that Russ Jones, in one of the PICFI commissioned essays, recommends flexibility in how FNs organize themselves to benefit from PICFI, balancing the interests of individual FNs and collective benefits of working together.

Recommendation # 1:

DFO should show more flexibility on any requirement for Aggregate Bodies, and any criteria, for example on minimum numbers of bands, should be developed in consultation with FNs and communicated to FN clients. At the same time, fruitful collaboration might be encouraged simply through sharing information on potential opportunities.

Consultation, Planning and Communication

Internal key informants often referred to consultations that occurred at the start of PICFI. Most did not mention a subsequent decline in consultation. One did note that while continuing consultation would have been desirable, it was necessary to quickly move beyond the design phase.

Although most discussions of consultation and communication concerned external FN clients, internal key informants noted the high turnover of PICFI staff as a contributing factor to poor communications and frequently reported a lack of internal communication and direction. The proposed remedy was a clear policy manual with a procedural component containing guidelines for applications alongside a clear communication plan. Internal key informants also discussed difficulties in planning for acquisition of access, which was partly blamed on Expressions of Interest (EOI) arriving too late to inform acquisitions. One informant suggested that DFO should not have front-end loaded the program with acquisitions, both because of the possibility of inflating costs related to

licence relinquishment, and because of uncertainty concerning which licence holders may be interested in relinquishing licences.

External key informants had a somewhat different view of PICFI design and delivery consultations. Consultations that occurred at the program's start were criticized as serving primarily to publicize information about DFO plans for PICFI. While meetings in Richmond facilitated by PICFI regional leaders were praised, external informants were generally critical of the lack of consultation as program implementation progressed.

Particular concern was expressed concerning communication regarding the EOI. The primary concern was that the criteria for acceptance of an EOI were not clear, and responses to questions were slow and inconsistent. This was seen to be evidence of confusion within DFO.

FN key informants thought that extensive consultation on the critical issue of access acquisition would have been appropriate. It was noted that much of the PICFI money to facilitate the relinquishment of licences was spent before the needs of FNs were known through their EOI. Although many complaints concerned the potential distribution of long-term access, interim access was also a major concern. A point raised strongly in the FN focus group was that interim access was often delivered late in the season when weather conditions may restrict their opportunities. A lack of consultation on the issue of coastal versus interior distribution was also noted.

Also raised was a lack of consultation and respect for FN traditional knowledge of fishing methods in demonstration fisheries. Although some appreciated being introduced to new methods of fishing, others felt that DFO was maintaining excessive control over operations and dismissing proven methods. This lack of respect for FN traditions was felt to extend to the mentoring program component of PICFI. Mentoring is traditionally done as boats are passed or sold so that an owner leaving the industry can use their vessel to transmit their knowledge to someone entering the industry. A key informant summed up the situation by saying that training to get tickets for navigation is needed, but that DFO was not respecting the notion of passing on practical FN traditional knowledge. Consultation in this area appears to be required, since the problem is complex and this report may not have captured all aspects.

Suggestions by informants for increasing consultations include an FN steering committee or a joint committee with FN membership. Also suggested were a large coastal and inland FN meeting, increased involvement of the First Nations Fisheries Council, consultation with the Native Fishing Association (NFA) as well as more consultation with the seafood industry through the BC Seafood Alliance.

Recommendation #2:

DFO should consider ways to improve consultation and communication, possibly through a steering committee that includes FN representation. Increased

cooperation with the First Nations Fisheries Council should be considered.

Consultation should include the following areas:

- **Strategic planning for acquisition of licences and quotas (the relative amount of various species to meet FN and DFO objectives);**
- **Interim access in order to provide timely access to FNs with the capacity to fish licences and quota that have been acquired;**
- **Encouragement of a mentoring system based on the traditional approach;**
- **Demonstration fisheries that respect traditional methods and knowledge.**

Communication between RHQ and area offices should be improved, particularly with respect to any requirements from FNs.

Moving towards a terminal fishery

After spending their adult life in the ocean, salmon ascend their natal river to spawn near their birthplace. A terminal fishery for salmon generally refers to fishing in the river close to where the fish spawn, although we sometimes use the term more broadly, referring to in-river fisheries beyond the estuaries.

Several key informants stressed the advantages of a terminal fishery for salmon, and some expressed concern that these advantages were not being sufficiently developed and put into practice through PICFI. For example, one internal key informant held that when PICFI was developed it had a strong focus on the marine side, going on to say that this was a big mistake because terminal fisheries have become important with reduced stocks and the Commission of Inquiry.

Some coastal bands that fish for salmon are concerned that they will not benefit from PICFI. Nevertheless, coastal FN key informants representing primarily ocean fishers generally expressed a willingness to accommodate an in-river salmon fishery, given an equitable balance of PICFI support through alternative species. Interior FNs expressed a similar willingness to accommodate.

Key informants and a literature review concur on fundamental themes

Messages from key informants are reinforced by a considerable literature on terminal fisheries.

Efficiency

Archaeological evidence suggests that salmon fishing by FNs on the Pacific coast using weirs dates back 12,000 years. The methods used were, in concept, more efficient than most of those being used in the salmon fishery today, simply because salmon return and concentrate in their natal rivers.

DFO issues commercial salmon licences for three gear types: seine, gillnet and troll. Potentially more efficient methods, particularly fish wheels and traps, have been used on the Pacific coast, and were banned because of conservation concerns, from which we can infer some degree of inefficiency due to gear type.

Further inefficiency may stem from a competitive fishery for salmon. While the Total Allowable Catch (TAC) is effectively controlled by DFO through the season length, individual fishers do not have catch limits, and so have an incentive to waste effort in the race to get fish. DFO has attempted to control effort through limiting the number of licences, which are attached to vessels, but evidence suggests that excess capacity may remain.

A common tool used to avoid a competitive fishery is the Individual Transferable Quota (ITQ). Typically each fisher is issued a defined share of TAC, and so can fish it without concern other fishers will take the fish first. An exposition of ITQ theory is given in the essay by Colin Clark, commissioned for this evaluation. For salmon, a key problem has been the uncertainty around forecasts of run strength that are used to determine TAC. Other problems concern arrangements for ITQ where the original holder is not fishing, reducing fishers' incentive for conservation.

Most Pacific fisheries other than salmon are managed under share-based regimes, and DFO has associated a notion of moving to share-based management for Pacific salmon with the Fisheries Renewal initiative. While this would address the competitive fishery problem, without changing gear restrictions it would not remove the inefficiency in capture methods. In contrast, in-river demonstration fisheries have been based on assigned quota caught by the most efficient method of capture available. Both aspects of efficiency would therefore be addressed in a terminal fishery.

Selectivity

Selective fishing methods are critical to protecting species and stocks that are weak while obtaining the maximum economic benefit from strong stocks. While species selectivity is possible in any location by using capture methods that permit release without harm, full stock selectivity is only possible when fish are harvested close to their natal stream.

An increase in selectivity could have advantages for the entire salmon industry through maintenance of certification by the Marine Stewardship Council (MSC), which runs the world's leading certification and ecolabelling program for sustainable seafood. By July 30, 2010, all major B.C. sockeye fisheries had received certification.

Quality tradeoff

There may be a decline in value of salmon as they approach the terminal area, but this is a complex issue, with considerable difference of opinion. Salmon migrating upstream metabolize their fat reserves and lose the red colour that is now demanded by markets. However, mitigating factors have been noted by key informants and were substantiated

by the literature review. Salmon eggs or roe increases in value as salmon migrate, and value could be added to the flesh by smoking, drying, or canning together with a marketing campaign that would make use of MSC certification.

An Interim Measure before all questions related to FN Rights are concluded

The BC Treaty Process is far from completion. Through salmon allocations to in-river fisheries, PICFI would provide interim arrangements, as has been suggested by two influential reports, those of the Joint Task Force and the First Nations Panel on Fisheries.⁵

The most appropriate instrument for a move to terminal fisheries is PICFI

It is difficult to imagine how progress could be made toward terminal fisheries for salmon through any other means than PICFI or a similar program. The alternative would be to provide in-river commercial fishing defined shares outside of FN allocations. Viewed as property rights, these shares might become entrenched, making further progress on FN allocations more difficult.

Moving toward a terminal fishery for salmon aligns with program objectives and with the most relevant DFO policy

Program Objectives

A move toward a terminal fishery would further the goal of an environmentally sustainable fishery by avoiding weak stocks, while the economic viability of the fishery could increase due to a move away from a competitive fishery as in-river allocations are made in share-based fashion, because of the opportunity for efficient capture technology that the concentration of salmon in their native streams affords, and because selectivity would permit optimal harvest of strong stocks. A trade-off on quality could be mitigated by innovative product development and marketing. Consultation with FNs would facilitate the achievement of an optimal balance.

Canada's Policy for Conservation of Wild Pacific Salmon

Moving toward a terminal fishery through PICFI would align with the three Policy objectives,⁶ since

⁵ See Jones, R., M. Shepert, and N.J. Sterritt "Our place at the table. First Nations in the BC fishery." Report to the First Nation Panel on Fisheries, 2004. <http://www.fns.bc.ca/pdf/FNFishPanelReport0604.pdf> and McRae, D.M. and P.H. Pearse. "Treaties and transitions: Towards a sustainable fishery on Canada's Pacific Coast." Federal-Provincial / Post Treaty Fisheries Joint Task Force, 2004. <http://www.pac.dfo-mpo.gc.ca/publications/pdfs/jtf-eng.pdf>

and McRae and Pearse, 2004.

⁶ See DFO, "Canada's Policy for Conservation of Wild Pacific Salmon", 2005, p. 9, retrieved from <http://www.pac.dfo-mpo.gc.ca/publications/pdfs/wsp-eng.pdf>.

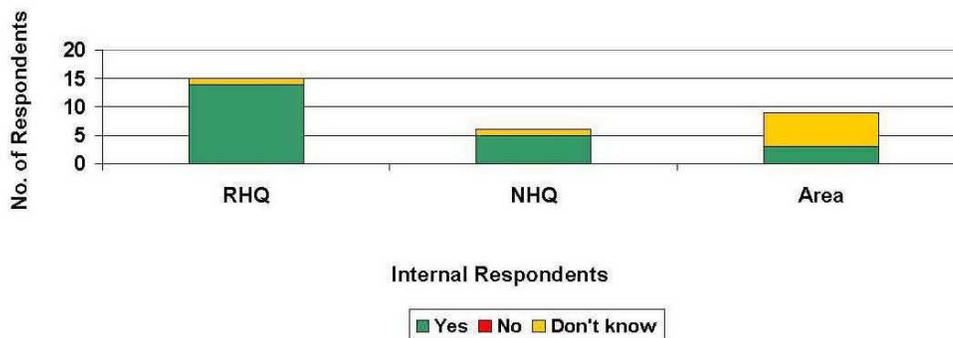
1. the increased selectivity would enable the safeguard of genetic diversity by avoiding endangered stocks;
2. the capture methods do not threaten habitat or ecosystem integrity; and
3. increased efficiency may add sustainable economic benefits.

Recommendation #3:

PICFI should lead a move toward a terminal fishery for salmon, offering more support for this transition through all elements of the initiative. Decisions on a balance between ocean and in-river allocations should be made in consultation with FNs. The transition should be coordinated with licence acquisition, so that appropriate species are available to mitigate any potential loss to FNs that might otherwise have received increased allocations to fish for salmon in the ocean.

To what extent has risk management been incorporated into the PICFI decision-making process?

Figure 2: Were risks considered or contingency plans put into place when designing PICFI?



The difference between headquarters and area staff is apparent, with almost all headquarters respondents approving of PICFI's risk management, but with 6 of the 9 Area respondents unsure.

The process for assessing risk appears to have been conducted at too high a level in DFO without ground truthing it through area staff. For example, a key informant stated that they could have provided considerable information on contingencies and risk from the beginning, had they been consulted. Key informants referred to problems, such as the relative needs of coastal and inland fisheries, that could have been foreseen prior to implementation.

Is there a PICFI performance measurement strategy and a reporting process / system in place and are they consistent with the Integrated Aboriginal Contribution Management Framework?

According to key informants, PICFI is in the final stages of developing their performance measurement in accordance with the needs of IACMF, along with fulfilling the reporting at NHQ. However, some are concerned that the framework doesn't capture the broader aspects of PICFI, in particular Enhanced Accountability. The data collection largely will be done by element leads, and will be collected through the area offices, provided up to RHQ, and then consolidated at PICFI's NHQ office.

Will the performance information provide the necessary data required for the summative evaluation?

A few informants are concerned that the performance measures may not indicate progress being made due to the lack of baseline information. Another concern raised was that earlier measures may sometimes be used to collect and report on information that is no longer relevant due to program changes.

Are there best practices and lessons learned from PICFI?

Expressions of Interest and Business Plans

The EOI evaluation process was felt by external key informants to be long, cumbersome and difficult to complete. Applications must be approved by both regional and national headquarters and are reviewed for consistency with both treaty negotiations and with programs carried out by other departments. Further, the criteria upon which EOIs are evaluated and approval decisions made were not clearly or effectively communicated to applicants and information requested in the application process is inconsistent and insufficient to meet evaluation requirements.

The EOI would also have benefited from greater detail and clarification of the CFE requirement. Although the PICFI application guide provides three possible models for First Nations to organize their CFEs, the models lack clarity. Adequate detail concerning the benefits and drawbacks of each model and how the models could be applied to different communities was not provided.

PICFI provides no financial support for the development of the EOI, and the process was associated with significant expenditures for some FN communities. Communities were required to cover the costs of salaries and wages of individuals responsible for collecting the required information and writing the EOI application, the costs of meetings, and the costs of communications surrounding the formation of aggregate bodies. PICFI area coordinators may provide consultations and advice regarding the EOI, but do not necessarily have the capacity or training to provide appropriate feedback.

Key informants also complained about the slow response time by DFO to requests for information and feedback. On average, it took 8.3 months for PICFI to approve an EOI. The long review process, lack of timely feedback, lack of support for EOI development

and uncertainty regarding the criteria upon which approval decisions are based created frustration among First Nations. This has been reflected in the low number of submissions.

Recommendation #4:

DFO should streamline application/approval processes and ensure adequate funding or support capacity to meet the demands that this process places on FNs

- All criteria against which EOI are evaluated should be clearly communicated. FN communities should receive adequate explanation of and justification as to why their EOIs have been declined or approved. For example, any requirements for Commercial Fisheries Enterprise (CFE) structure and definitions should be communicated clearly (including through consultation), and flexibility should be given to the communities over CFEs Structures.
- Lessons learned from the EOI application and evaluation process should be applied to any future activity, particularly with respect to Business Plans. Requirements and evaluation criteria should be clear, information requested from FNs should be consistent and adequate to apply the review criteria, the review process should be organized to function as quickly and efficiently as possible, and response to enquiries should be timely.
- Funding to FNs should be adequate to meet the demands of Business Plan development.

Cooperation and Partnership

Approaches for Improving the Capability for Establishing a Viable and Sustainable FNs Fishery

PICFI's ability to establish a viable interior salmon fishery is constrained by a number of factors. First is the ability to access the amount of salmon necessary to supply commercial needs, since the abundance of salmon can vary drastically from year to year. Second is the difficulty experienced by FNs in acquiring financial support to enable the construction of a value added fishery. Third is the lack of a strategically integrated approach to building synergy through federal government partnerships with regards to constructing FN capacity.⁷

Rationale for Creating a Viable Interior FN Commercial Fishery

Interior fisheries must address a number of economic and ecological viability challenges not faced by coastal fisheries. The fishery must be founded on good stock assessment data as well as factor in non-economic needs such as conservation and FSC. It must also factor in the potential uncertainty of allocation amounts resulting from the precautionary approach DFO uses to determine fishing sector priority in periods of low abundance.

⁷ An extensive examination of the benefits and challenges involved with developing a viable Salmon fishery in the interior of BC can be found in the Fraser River Salmon Table Society report, "River to Plate – A Program Vision for Sustainable Economic Opportunities in the Fraser River Salmon Fisheries".

There is lost economic opportunity when the largest TAC would be available at terminal or near-terminal locations with little infrastructure for processing and transportation. Marketing challenges are inherent with the greater variability in species, volume, and quality found in inland fisheries. Finally, producers who lack in-house capacity give up custody to catch to middle-men brokers, which leaves little opportunity for local fishery to obtain investment or added value.

Difficulties facing FNs in Acquiring Funding to Establish a Viable Commercial Fishing Enterprise

FNs have difficulty in acquiring financial support from both government and private sector sources. Key informants noted that this difficulty partially stems from DFO's traditional mandate, which only provides funding for harvest opportunities. However, better business planning and infrastructure can aid in developing landing areas to promote better quality controls, monitoring, traceability and processing beyond the FN Fishery. A further complicating factor for the in-river fishery is that, due to uncertainty regarding allocation at the start of the season, efforts to attract investment and preparation for the fishery may be delayed.

Developing a viable CFE in the interior requires consideration of economies of scale and creation of value through cooperative-like partnerships in production to reduce down time, and to hold market interest. However this may run contrary to what DFO alone can support, since PICFI funding can be directed to developing the capacity to catch fish, but not to support activities that can increase their value for sale. External key informants have argued that the federal government, through DFO, does not support incremental fish processing capacity because there is already surplus capacity in the region as a whole, which includes the coast. Nevertheless, the key informants argue, there is a need for local processing to avoid the time and expense of transport.

With PICFI's limitations on support for FN CFEs in the interior, FNs have had to seek other avenues and partners. PICFI initially contacted INAC, WED and others to explore ways of addressing the limitations in DFO's mandate for support activities surrounding infrastructure and value-added products. These options, according to internal and external informants, fell through for reasons such as eligibility criteria required for other departments and program cuts at INAC and WED. Furthermore, departments usually develop customized programs to fulfill their own objectives and priorities and are not horizontally integrated with the needs of other departments. An additional barrier is the complexity of application forms and eligibility conditions for funding as styles and processes can vary by program and department. Furthermore, if an FN is considering applying for money from several federal departments and agencies, they may face restrictions on stacking built into the terms and conditions of grants.

The 2008 Transfer Payment Policy and the recent creation of the Centre of Expertise for Grants and Contributions at Treasury Board has addressed some of these concerns, but

the primary focus has been on alleviating problems of streamlining and integrating processes for departments' own grants and contributions programs. It is not clear that there are comprehensive plans to reduce duplication and better strategically integrate and streamline departments' programs that share similar client groupings and objectives while concomitantly providing more realistic support to address capacity needs for FNs.

Partnerships

Partnerships could form a vital piece of a strategy for assisting PICFI to stimulate the creation of viable FN CFEs. A more strategically integrated approach to partnering between departments is needed to deliver on aboriginal capacity building that is contributing to the whole of government strategic outcomes and those of individual departments, while satisfying the needs of recipients. For example, a number of objectives within PICFI address INAC goals concerning treaty negotiations. A few internal informants mentioned the possibility that INAC could lead a sector-driven approach to economic development that would invite related departments to put together a more comprehensive way forward with DFO providing the access to the fish, another department or agency providing money for processing, and with HRSDC supporting training. This would address frustration expressed by external informants with the current non-streamlined process for acquiring funding.

Even though not all internal informants may favour an INAC-led approach, it might be an opportunity for PICFI and DFO to encourage the Centre of Expertise for Grants and Contributions to facilitate a means for having their needs and requirements better reflected into INAC's sectoral program for aboriginal economic development. A vehicle such as this has not existed before, and is needed to take advantage of strengths in other departments to build the synergies that, along with demonstrating success in achieving program and government-wide strategic outcomes, would allow departments to better manage their resources.

Recommendation #5:

DFO should continue to investigate the potential for cooperation with other departments in this area, including INAC, WED, HRSDC, Industry Canada and other levels of government, and also explore the possibility of interpreting the department's mandate as allowing for the provision of assistance to FN fishers to participate in the value chain and gain greater market access. DFO should consider working with the Treasury Board Centre of Expertise in Grants and Contributions to facilitate interaction regarding INAC's proposed sector-oriented aboriginal economic development program, which might address limited departmental mandates and contribute to a whole-of-government view of strategic outcomes.

Lessons Learned from AICFI

The PICFI governance structure and the initiative's emphasis on business planning and capacity building are very similar to that of AICFI. However, there are key differences in the regional conditions, as well as the design and delivery, of the two initiatives. Certain key informants felt that some of the difficulties that occurred with PICFI arose from basing the initiative too heavily on the AICFI model. However some AICFI components that were identified as key to the initiative's success were not incorporated into PICFI.

Regional Differences

There are 35 FN communities eligible to participate in AICFI while over 200 are eligible for PICFI. The large number of potential participants, as well as the vast differences in size and geography within Pacific FN communities, pose administrative challenges for PICFI that are not present in AICFI. The PICFI requirement to form Aggregate Bodies is one way the initiative attempts to address this challenge.⁸ The structure and geography of the two fisheries also differs. While in AICFI, all fisheries are coastal, PICFI incorporates inland as well as coastal fisheries, which has led to differing capacity building needs.

Prior to the introduction of AICFI, the Atlantic region benefited from the implementation of the Marshall Response Initiative (MRI), which contributed immensely to the fisheries capacity of the FN communities. Prior to PICFI, however, there was no program comparable to the MRI in the Pacific region. Thus, PICFI was expected to implement a complex program with multiple objectives without the advantages of a prior contribution of time and resources felt by AICFI.

Program Design and Delivery

AICFI delivers services to FN communities through existing FN organizations, thus limiting direct DFO involvement. PICFI however, delivers services directly through DFO. The involvement of FN organizations in AICFI served to minimize the effect of historic tensions between DFO and FN. With PICFI, DFO has no such buffer, and relations between the department and FN communities may have been less effective as a result.

AICFI utilizes a Business Development Team (BDT) in capacity building. The BDT works with FN communities to prepare business plans, develop governance structures, provide ongoing support and otherwise aid in capacity building. The BDT also serves to aid in the consistency of applications and compliance with DFO application requirements. Instead of providing a BDT, PICFI recommends that FNs hire independent consultants for the development of business plans and training programs. This is an additional expense for the communities and does not offer the consistency and familiarity with DFO requirements provided by the BDT. Furthermore, the initial process for participation in PICFI is much more involved than that of AICFI and interested FN communities are provided only limited support from DFO Area Coordinators.

⁸ For further discussion see the subsection Aggregate Bodies of Section 3.2

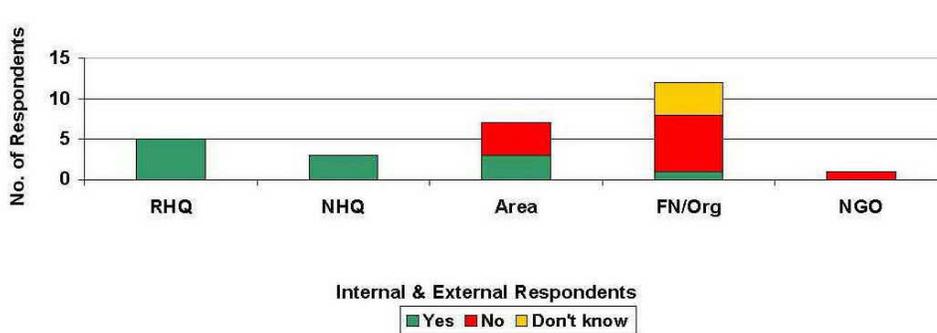
Both AICFI and PICFI conducted extensive community consultations with FNs at the early design stage of the programs. However, AICFI consultations continued into the initiative’s implementation period and incorporated the feedback received into program design and delivery. Although PICFI also engaged in community consultations, the initiative was far less successful in incorporating feedback from the consultation process into program design and delivery.

Recommendation #6:

The AICFI model should be used judiciously. Lessons may be learned in the area of Business Plan development. Consideration should be given to involving Aboriginal organizations (e.g. Aboriginal Capital Corporation, Northern Native Fishing Corporation etc.) that have experience in providing business development support services to FN communities. In particular, Business Development Teams (BDT) under Aboriginal organizations should be considered. The AICFI experience with BDT should be reviewed for possible lessons that could be applied to PICFI.

To what extent have activities occurred as planned?

Figure 3: Have activities occurred as planned?



Overall, it is not clear that PICFI activities have occurred as planned. While 11 out of 15 internal respondents, primarily RHQ and NHQ staff state that activities have occurred as planned, 8 out of 13 external respondents state the opposite. Internal respondents from area offices were often more aligned with the views of external informants rather than internal informants from RHQ and NHQ.

3.3 PROGRAM PERFORMANCE

3.3.1 Effectiveness

Are there any unintended outcomes, positive or negative, that can be attributed to PICFI? If so, were any actions taken as a result of these?

Examples of unintended outcomes tended to be quite specific and opinion was varied. The initial consultations and facilitated workshops had some positive consequences that may have been unintended. Some FNs felt that they had learned about the problems and issues of other bands in many areas, some unrelated to PICFI, and that the increased awareness and lessons learned about dealing with government would be useful to them.

Are there any internal/external factors and/or general challenges/barriers that influence the initial success of PICFI?

Key informants were asked to exclude consideration of all types of resources in this question.

A challenge referred to by some internal key informants was the difficulty of getting buy-in from the fishing industry as a whole. Another challenge expressed by key informants concerned FN governance, with stable governance seen by many as a requirement for progress. The need to come to terms with the *Ahousaht* Supreme Court of British Columbia decision was frequently noted as a challenge.

To what extent have the intended outputs been produced? Are appropriate human, financial and material resources in place to support the production of outputs?

During the course of this evaluation, PICFI has been developing performance indicators and data collection methods that feed into the Integrated Aboriginal Contribution Management Framework (IACMF) performance indicators, outputs and outcomes to ensure PICFI's own performance story is not lost within the generic IACMF.

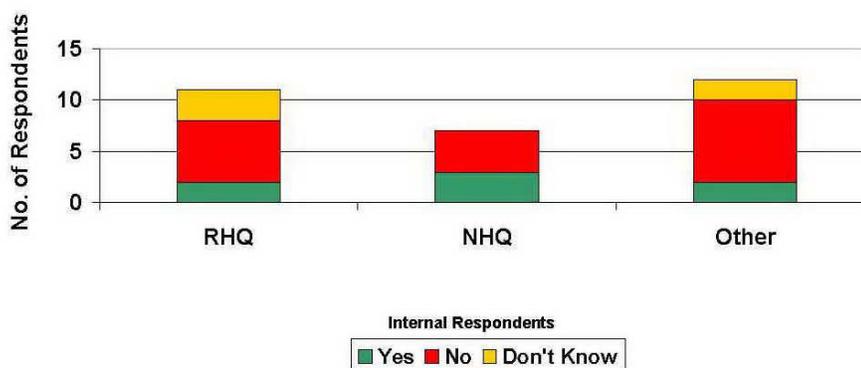
The current status, as of August 10, of PICFI outputs are listed below.

- 224 signed Relinquishment agreements and offers out to ~3,000 licence holders; however, to date there is no data on number of applications received;
- No vessel/gear obtained through PICFI;
- 258 licences, 6.3% of halibut quota, 4.78 % of sablefish, and 0.24% of ground fish trawl quota relinquished representing a value of \$59.4 M in licences/quota relinquished;
- No access relinquishment agreements currently under negotiation; next potential round of relinquishment set for Fall 2010;
- 10 Contribution agreements for business planning support (Capacity Building);
- 8 signed Co-mgmt contribution agreements with individual or aggregate (AAROM) First Nations, including one with the First Nation Fisheries Council; and 2 signed contribution agreements signed with non-First Nation/multi-interest organizations to support the advancement of PICFI co-management objectives;

- 14 contribution agreements for business planning support under consideration/negotiation;
- 24 estimated contribution agreements for operational, training, vessel acquisition, and legal entity formation support;
- 6 additional contribution agreements under Co-Management Element under negotiation/consideration, or providing additional funding through existing AAROM agreements in 2010-11

Human, Financial and Material Resources

Figure 4: Are appropriate human, financial and material resources in place to support the production of outputs?



Internal informants felt the lack of dedicated human resources to be the major resource deficiency in PICFI. This is felt to be particularly true for area offices, which are the front line of FN service delivery. Informants addressed challenges associated with contributing to PICFI’s needs while trying to address their other work activities and priorities. Some also noted the difficulty in recruiting and retaining staff due to the short-term nature of the projects as well as the expectation of a heavy workload. The lack of DFO staff was felt to be less of an issue than the problems associated with high staff turnover and inexperience. Concerns were also raised regarding long-term underfinancing and the limitations inherent with a 5-year program with a fixed end date.

To what extent is PICFI making progress in achieving its immediate outcomes?

Key informants were asked whether PICFI is making progress on achieving desired immediate outcomes in the following areas: DFO-FN co-management relationships, multi-sector co-management and government processes, Communal (Aboriginal Group) licences and quotas, Aboriginal governance structures, CFEs, and enhanced accountability standards. While there are some areas of agreement, internal key informant responses, particularly those from RHQ and NHQ tend to be more positive than those of external informants. Internal informants from area offices are usually more aligned with

responses from external informants than from RHQ and NHQ. Key informant responses are summarized in the following table:

Integrated Aboriginal Commercial Management Framework (IACMF) OUTCOMES	Internal Perceptions on Performance Progress	External Perceptions on Performance Progress
DFO-FN Co-Management Relationships	Positive	Positive
Multi-Sector Co-Management/Governance Processes	Positive	Negative
Aboriginal Group Licences and Quota	Positive	Positive
Aboriginal Governance Structures	Negative	Negative
Commercial Fishing Enterprises	Negative	Negative
Enhanced Accountability Standards	Positive	Negative

To what extent is PICFI on track to achieving its intermediate and longer term outcomes?

Key informants were asked whether PICFI is making progress on achieving desired immediate outcomes in the following areas: Aboriginal participation in collaboration activities, government, management and administration of Aboriginal communal commercial fisheries, compliance and enforcement standards, and nature scope and quality of Aboriginal participation in collaboration activities. Key informant responses are summarized in the following table:

Integrated Aboriginal Commercial Management Framework (IACMF) OUTCOMES	Internal Perceptions on Performance Progress	External Perceptions on Performance Progress
Aboriginal Participation in Collaboration Activities and Processes	Positive	Positive
Government Management and Administration of Aboriginal Communal Commercial Fisheries	Positive	Negative

Compliance and Enforcement Standards	Positive	Negative
Nature, Scope and Quality of Aboriginal Participation in Collaboration Activities	Positions Unclear	Positions Unclear

3.3.2 Efficiency

Background

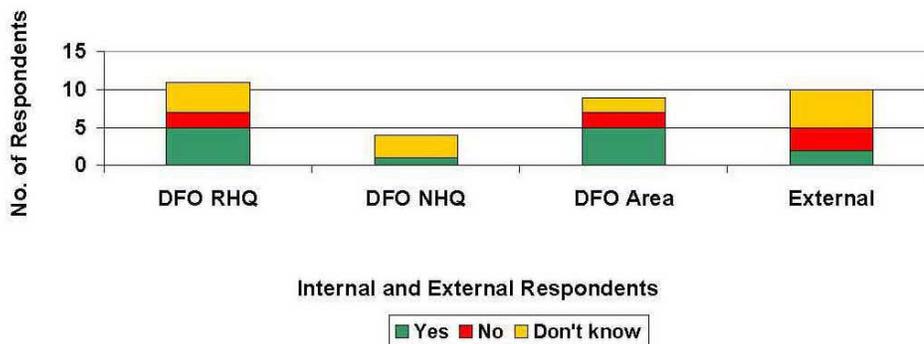
Efficiency is defined in the 2009 Treasury Board Policy on Evaluation (2009) in the following manner:

Efficiency: the extent to which resources are used such that a greater level of output is produced with the same level of input or, a lower level of input is used to produce the same level of output. The level of input and output could be increases or decreases in quantity, quality, or both.

It is within this conceptual framework that the efficiency of PICFI was assessed in this evaluation.

Findings

Figure 5: Does PICFI’s resource utilization and activities/components optimally produce expected levels of outputs?



Many key informants did not respond to this question. Of those who did respond, many expressed uncertainty on the efficiency of PICFI, feeling either that they did not have enough of an overall view or that, considering that many of the PICFI outputs are still to come, it was too early to determine efficiency.

The acquisition of access was cited by some key informants as an element that was being run efficiently. This is perhaps unsurprising, as it is the element where most progress has been made. In addition DFO has extensive experience with salmon licence relinquishment programs, and management of this element have experience in the field.

Did PICFI resource utilization and activities optimally produce expected levels of outputs? How could the efficiency of PICFI activities be improved?

Some internal key informants referred to time pressures to produce outputs, suggesting that efficiency could be improved if the time frame were less compressed (See recommendation #7) and that efficiency has been improving as the program progresses. Developing capacity within DFO was cited as a key requirement to improve efficiency. Suggestions from external key informants were to develop DFO capacity, spend less money on administration, increase consultation with FNs, and advance the co-management element.

3.3.3 Economy

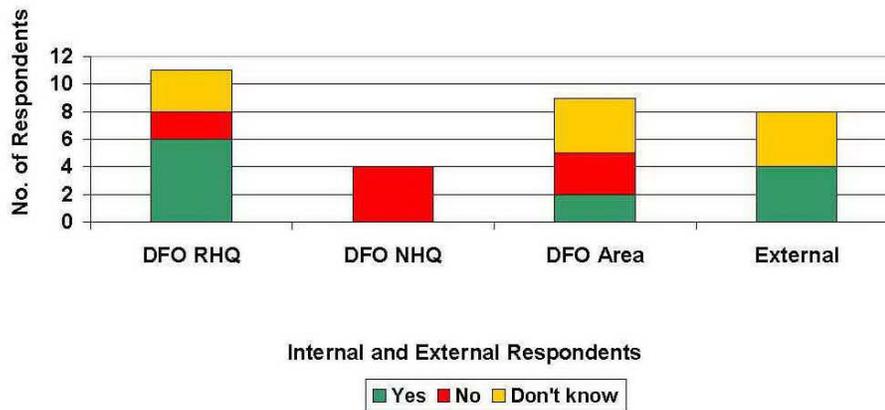
Background

The Treasury Board Secretariat defines economy in the following manner in its evaluation policy:

Economy: minimizing the use of resources. Economy is achieved when the cost of resources used approximates the minimum amount of resources needed to achieve expected outcomes.

To what extent is PICFI economical?

Figure 6: Is PICFI economical/cost-effective?



Again, many informants felt that they did not know or were unable to respond. Among those who responded “Yes,” several referred to the acquisition of access element, pointing out that costs associated with facilitating the relinquishment of licences may be relatively depressed at this time. However, concern was expressed about the possibility that DFO’s involvement with the relinquishment of licences might inflate these costs.

3.4 LESSONS LEARNED

The evaluation team made many observations throughout this project. One lesson in particular stood out and is worthy of mention. Many of the challenges and problems reported stem from the limited time available to design and implement the program.

PICFI Outcomes are Long-Term Oriented

The objectives of PICFI are complex and multi-faceted. A number of lines of evidence, including key informants, literature and document review, and the commissioned expert essays support the conclusion that fulfilling these objectives requires significant time and effort to promote the necessary changes in attitudes and behaviour.

PICFI’s Role in Fulfilling Long-Term Pacific Fisheries Reform Objectives

The objectives are both complex and long-term in nature. DFO is following the lead of the Food and Agriculture Organization (FAO), which is advocating a culture shift internationally by encouraging participants in the fishery to take a shared cooperative approach to managing the fishery. The co-management and enhanced accountability elements of PICFI are the key activities for driving reform.

Challenges to Building Relationships with All Parties Involved in the Pacific Fishery

Before citing the specific factors relative to the Pacific situation, one should take note of the experience with building co-operative based management of a fishery from a global perspective. Fikret Berkes in “A Fishery Manager’s Guidebook,” developed for the FAO, states that case studies in the development literature indicate that the time frame for building participatory management is 10 years.”⁹

Several factors are affecting the ability of PICFI and DFO to accomplish these goals in the long term, let alone in the five years granted to the program. Firstly, a number of FNs have been somewhat hesitant to participate following the recent Ahousaht court decision which found an aboriginal right of five Nuu-chah-nulth bands to fish of any species of fish within their traditional fishing territory and to sell that fish. Secondly, external informants noted that FN bands were wary of participating in PICFI, feeling that it might detrimentally affect their potential allocation through future treaty negotiations. Thirdly, methods for participants to consistently collect and report catch data are being developed—a delicate process that requires building of trust. A fourth factor is the challenge of building co-management structures with 203 First Nations with whom DFO has normally dealt with individually through the ongoing AFS program.

PICFI Human Resources and Management Challenges

Other factors affecting the program’s ability to deliver on its objectives have been human resources capacity issues, particularly at the RHQ and area office level where a lot of the front end work takes place, and where PICFI is engaging with FNs and other sectors. These HR problems may have contributed to PICFI difficulties such as the delays in the business planning process that could lead to the approval and creation of CFEs as the program sunsets, leaving follow-up support uncertain.

PICFI Supports Long-Term Processes

The short-term expectations and accountability requirements may have resulted in PICFI having to push for results and resort to more direct control, risking damage to its chances of achieving long-term goals and objectives, which are reliant on building relationships through appropriate and respectful consultation. The key to success might be to build on PICFI’s initial good start, contributing to the long-term goal of creating co-operative management in the Pacific fishery. Evidence that PICFI is relevant to this goal comes from the feedback provided by key informant interviews.

Recommendation #7

DFO should plan for the continuation of PICFI activities after the 5-year program ends, contingent on available resources.

⁹ Fikret Berkes, “Social Aspects of Fisheries Management,” in *A Fishery Manager’s Guidebook, 2nd Edition*, edited by Kevern L. Cochrane and Serge M. Garcia, 52-73. Food and Agricultural Organization, Sussex: Wiley and Sons, 2009.

- **An extension or renewal of PICFI would be the most effective way of doing this**
- **PICFI long-term activities such as co-management, CFE capacity building, and enhanced accountability and monitoring should be continued in one form or another within DFO**
- **If FN participation beyond what can be accomplished by the current program becomes an accepted goal of the Canadian Government and DFO, then consideration should be given to extension of the PICFI program to accomplish this.**

3.5 CONCLUSION

We conclude that PICFI is a relevant program, that there is a continued need for PICFI, and that it is aligned with federal and DFO roles and responsibilities.

Since its inception in 2007, PICFI has made some progress towards achieving its intended immediate outcomes, particularly in acquisition of access and most recently in capacity building now that a round of Expressions of Interest have been approved. There is room for improvement in the progress toward Business Plans and Commercial Fishing Enterprises and the Co-management element.

Since this is a formative evaluation, this report has put considerable emphasis on the design and delivery of the program. This has led to findings and recommendations that we have grouped into six themes:

1. Aggregates of First Nations
2. Consultation, Planning and Communication
3. Moving towards a terminal fishery
4. Expressions of Interest and Business Plans
5. Cooperation and Partnership
6. Lessons Learned from AICFI

We conclude that, PICFI could be improved by adopting the recommendations, and with these improvements, that it would be a suitable vehicle to contribute to the Integrated Aboriginal Contribution Management Framework (IACMF) outcomes of economically prosperous maritime sectors and fisheries and healthy and productive aquatic ecosystems.

We have found some evidence that PICFI is efficient and economical, particularly in the acquisition of access.

Finally, we conclude that fulfilling the multi-faceted objectives of PICFI requires significant time and effort to promote the necessary changes in attitudes and behaviour amongst the related sectors. Due to relevance of the program, some progress towards achieving objectives, and considerable investment developing governance and the potential to improve, this report recommends the continuation of PICFI activities, contingent on available resources.

3.6 RECOMMENDATIONS

It is recommended that DFO:

- | | |
|------------------|--|
| Recommendation 1 | DFO should show more flexibility on any requirement for Aggregate Bodies, and any criteria, for example on minimum numbers of bands, should be developed in consultation with FNs and communicated to FN clients. At the same time, fruitful collaboration might be encouraged simply through sharing information on potential opportunities. |
| Recommendation 2 | <p>DFO should consider ways to improve consultation and communication, possibly through a steering committee that includes FN representation. Increased cooperation with the First Nations Fisheries Council should be considered. Consultation should include the following areas:</p> <ul style="list-style-type: none">– Strategic planning for facilitating relinquishment of licences and quotas (the relative amount of various species to meet FN and DFO objectives);– Interim access in order to provide timely access to FNs with the capacity to fish licences and quota that have been acquired;– Encouragement of a mentoring system based on the traditional approach;– Demonstration fisheries that take into account traditional methods and knowledge. |
| Recommendation 3 | <p>Communication between RHQ and area offices should be improved, particularly with respect to any requirements from FNs.</p> <p>PICFI should lead a move toward a terminal fishery for salmon, offering more support for this transition through all elements of the initiative. Decisions on a balance between ocean and in-river allocations should be made in consultation with FNs. The transition should be coordinated with licence acquisition, so that appropriate species are available to mitigate any potential loss to FNs that might otherwise have received increased allocations to fish for salmon in the ocean.</p> |

- Recommendation 4 DFO should streamline application/approval processes and ensure adequate funding or support capacity to meet the demands that this process places on FNs
- All criteria against which EOI are evaluated should be clearly communicated. FN communities should receive adequate explanation of and justification as to why their EOIs have been declined or approved. For example, any requirements for Commercial Fisheries Enterprise (CFE) structure and definitions should be communicated clearly (including through consultation), and flexibility should be given to the communities over CFEs Structures.
 - Lessons learned from the EOI application and evaluation process should be applied to any future activity, particularly with respect to Business Plans. Requirements and evaluation criteria should be clear, information requested from FNs should be consistent and adequate to apply the review criteria, the review process should be organized to function as quickly and efficiently as possible, and response to enquiries should be timely.
 - Funding to FNs should be adequate to meet the demands of Business Plan development.
- Recommendation 5 DFO should continue to investigate the potential for cooperation with other departments in this area, including INAC, WED, HRSDC, Industry Canada and other levels of government, and also explore the possibility of interpreting the department's mandate as allowing for the provision of assistance to FN fishers to participate in the value chain and gain greater market access. DFO should consider working with the Treasury Board Centre of Expertise in Grants and Contributions to facilitate interaction regarding INAC's proposed sector-oriented aboriginal economic development program, which might address limited departmental mandates and contribute to a whole-of-government view of strategic outcomes.
- Recommendation 6 The ACFI model should be used judiciously. Lessons may be learned in the area of Business Plan development. Consideration should be given to involving Aboriginal organizations (e.g. Aboriginal Capital Corporation, Northern Native Fishing Corporation etc.) that have experience in providing business development support services to FN communities. In particular, Business Development Teams (BDT) under Aboriginal organizations should be considered. The AICFI experience with BDT should be reviewed for possible lessons that could be applied to PICFI.

Recommendation 7

DFO should plan for the continuation of PICFI activities after the 5-year program ends, contingent on available resources.

- An extension or renewal of PICFI would be the most effective way of doing this
- PICFI long-term activities such as co-management, CFE capacity building, and enhanced accountability and monitoring should be continued in one form or another within DFO
- If FN participation beyond what can be accomplished by the current program becomes an accepted goal of the Canadian Government and DFO, then consideration should be given to extension of the PICFI program to accomplish this.

MANAGEMENT ACTION PLAN

		FOLLOW-UP REPORT UPDATE		
RECOMMENDATIONS	MANAGEMENT ACTION PLAN	TARGET DATE	COMPLETION DATE	
1. We recommend that				
2. We recommend that				

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- Berkes, Fikret. "Social Aspects of Fisheries Management," in A Fishery Manager's Guidebook, 2nd Edition, edited by Kevern L. Cochrane and Serge M. Garcia, 52-73. Food and Agricultural Organization, Sussex: Wiley and Sons, 2009.
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