



# Draft National Policy for Allocating Fish for Financing Purposes

Forum on Conservation & Harvest  
Planning for Fraser Salmon

February 20, 2014

Executive Airport Inn, Richmond



## Purpose

- Provide information related to section 10 of the *Fisheries Act*, “Fish allocation for financing purposes”.
- Outline key aspects of Fisheries and Ocean Canada’s DRAFT national policy that has been developed to guide the implementation of the new section 10 authority.
- Outline the process for the 2014-15 fishing season (Track 1 – Year 2).



## Background

- In 2012, the *Jobs, Growth and Long-term Prosperity Act* received Royal Assent.
  - As a result, the *Fisheries Act* was changed granting the Minister the authority to allocate fish or fishing gear / equipment for the purpose of financing a scientific or fisheries management activity as described in a joint project agreement, commonly referred to as “use of fish”.
- DFO adopted a two track approach to implement the authority provided under section 10 of the *Fisheries Act* to address both the immediate and long-term needs.



# Track 1 Year 1: Interim Implementation

- Focused on transitioning 35, pre-identified, critical science activities to the new authority, where feasible, for a period of one year (2013-2014) pending the completion of Track 2 (national policy framework).
- In 2013, 23 of the 35 pre-identified activities went forward, 12 through an allocation of fish or fishing gear / equipment under section 10, while 11 went forward as either cash contributions or other means (see Annex for a list of Track 1 eligible projects).
- Those projects that went forward with Section 10 included:
  - Gulf Region Southern Gulf of St. Lawrence snow crab
  - Maritimes Region halibut, snow crab, lobster, and scallop (Scallop Fishing Area 29)
  - Newfoundland and Labrador Region northern shrimp and snow crab
  - Pacific Region bottom trawl groundfish, sablefish, and a number of Pacific salmon test fisheries
  - Quebec Region snow crab (one area of eight – Crab Fishing Area 17) and lobster



## Track 1 Year 1: Interim Implementation Con't...

- Key issues identified during Track 1 helped inform the development of the draft national policy framework:
  - The timing of TAC decisions created difficulties in setting aside an amount of fish or fishing gear /equipment for s.10;
  - Determining/defining appropriate consultation;
  - Eligible costs and the value of fish;
  - Flexibilities for regions and collaborators; and,
  - Timelines for making decisions.
- In order to allow sufficient time for engagement on the draft national policy with interested stakeholders, DFO will roll-over the Track 1 approach for 2014, using a process similar to what was in place for the 2013 fishing season (“Track 1 – Year 2”).
- Some projects not maintained in Track 1 Year 1 may be resumed in Track 1 Year 2 (e.g., Newfoundland and Labrador Unit 2 redfish).



## Track 2: Policy Development for Long-Term Application

- The policy development process began shortly after the Budget 2012 announcement. Input was received at various points:
  - Comments / reaction from First Nations and others.
  - Engagement is ongoing with input requested by February 28, 2014.
- This policy framework aims to:
  - Describe the key principles for collaboration and allocating fish under section 10;
  - Outline processes for evaluating collaborative activities; and,
  - Ensure that the application, decision-making, and evaluation processes are consistent with legal and other government requirements, and transparent.
- Target: Policy framework approved and implemented, where possible, ahead of the fisheries management decisions for the 2015 fishing season.



## Key Elements of the Draft Policy

- **Eligible partners under section 10 to sign and administer collaborative agreements**
  - Distinct from who receives an allocation of fish or fishing gear / equipment;
  - Anyone can enter into a collaborative agreement. However, it must include harvesters/harvester organizations that represent the interest of harvesters in the fishery for which the project is being proposed; and,
  - Organization must have legal standing to enter into agreement.



# Key Elements of the Draft Policy

- **The allocation of fish or fishing gear / equipment;**
  - Will only be allocated to existing commercial and communal commercial licence-holders;
  - Will not lead to the authorization of the sale of fish where it is currently prohibited (e.g., Food, Social and Ceremonial (FSC); Recreational);
  - As a matter of principle, it will not create new allocation or access to a fishery through the authority under section 10;
  - As a matter of principle, fish will be taken off the top of the total allowable catch or from existing effort, after deducting what is required for FSC fisheries;
  - As a matter of principle, the amount of fish required under section 10 should be determined at the same time that the TAC/effort is being determined;
  - If the allocation is used to determine the allowable catch and level of escapements, which would include the level of catch reserved for FSC, the allocation could be taken ahead of anything else; and,
  - Will require the support of a “significant majority” from those affected by the allocation decision.





# Key Elements of the Draft Policy

- **Types of eligible Projects**

- Science and fisheries management activities;
- Directly related to the management and control of the fishery and the conservation and protection of fish;
- Do not compromise the conservation of the resource;
- Are consistent with current sharing arrangements (where established); and,
- Where possible, support and align with efforts made by DFO to strengthen relationships with Aboriginal groups pursuant to Aboriginal fisheries programs.



# Key Elements of the Draft Policy

- **Stakeholder Support**

- Stakeholder support is required for both the project and the allocation of fish or fishing gear / equipment being set aside under section 10;
- Stakeholder support is considered to be 2/3 or 66% of the Canadian TAC for share based fisheries; or, 66% of harvesters participating in the fishery in an input based fishery; and,
- The onus will be on the project proponent to demonstrate that they have acquired a significant majority of support, however, this does not relieve DFO from consulting with Aboriginal groups, where necessary or required.



## Key Elements of the Draft Policy

- **Eligible project costs and amount of fish needed when using section 10**
  - The incremental and direct costs of activities clearly linked to the project (which may include its development, administration, and implementation);
  - Other costs that are not explicitly referenced in Departmental policies and rules regarding collaborative agreements, but are clearly linked to the activity, may be examined on a case-by-case basis and included if the agreement of all signatories has been received; and,
  - Proponents will need to determine the minimum amount of fish or fishing gear / equipment that is required to cover the determined cost of the activity.



## Key Elements of the Draft Policy

- **Collaboration**

- A true contribution is required for collaborative agreements under section 10, this means all parties must demonstrate that they are contributing something from their own resources, either as an in-kind contribution or a cash contribution;
- The true contribution(s) is defined in the collaborative agreement;
- It should be of comparable value between all parties;
- The quantity of fish or fishing gear / equipment cannot be considered an in-kind contribution from either the Department or the project proponent; and,
- A cash contribution towards a project that is intended to be a *true contribution* in the collaborative agreement cannot be recovered as an expense.



## Key Elements of the Draft Policy

- **Multi-Year Agreements**

- Collaborative agreements can be multi-year agreements;
- They can also be amended or modified if required (e.g., changes to scope or objectives of an activity, fluctuations in costs);
- The allocation of fish or fishing gear / equipment can be re-examined annually, if required (i.e., price/cost fluctuation).



## Key Elements of the Draft Policy

- **Audits**

- To ensure a rigorous and transparent process, DFO will have the right to audit the cost and activities of a collaborative agreement entered into under section 10 of the *Fisheries Act*.
- The audit will include verification of value and costs associated with the activity;
- This will include the valuation on the amount of fish or fishing gear / equipment required to finance the activity;
- For a period of six years following the expiration or termination of the collaborative agreement, all parties shall maintain accounting records for the purposes of auditing section 10 activities; and,
- A summary of all collaborative agreements under section 10 will be posted to the DFO internet site.



# Operational Draft Guidelines

- We are also developing guidelines to assist DFO staff and yourself in using this policy. The external guidelines would be divided into 3 parts:
- **Phase 1: Preparing and submitting a project proposal for pre-screening**
  - Includes guidance on determining eligibility, completing a project proposal template and submitting the draft proposal to the Department (region) for pre-screening;
  - Information on the pre-screening criteria used by the Department is also included (e.g., eligible to enter a collaborative agreement, fall within the scope of eligible scientific or fisheries management activities, consistent with the Department's mandate, etc.);
  - Requires the project proposal to be discussed at the appropriate Advisory Committee (or comparable body) for the fishery, where available.
- **Phase 2: Negotiating section 10 collaborative agreements**
  - Includes a formal collaborative agreement application form, guidance on acceptable project costs, instructions on how to complete a collaborative agreement template, and signing of the actual agreement.
- **Phase 3: Post-project performance reporting**
  - Includes information on what is required from the collaborator (if anything) post project completion on the performance report template.



## Questions

- 1) Are there any issues or concerns with the proposed policy?
- 2) Are there any gaps you believe we should address:
  - a) In the policy statement?
  - b) In the guidelines?
- 3) Are there any questions on the roll-over process put in place for Track 1 activities during the 2014 fishing season?





Annex: 35 Critical Projects

(C&A) Multi-species survey (Greenland halibut and shrimp - SFAs 0 and 3)	(PAC) All Pacific Salmon, including Pacific Salmon Commission Test Fishery
(GULF) Snow crab assessment in Sourthern Gulf of St. Lawrence	(PAC) Sablefish - science stock assessment
(MAR) Offshore scallop survey	(PAC) Pacific herring stock assessment surveys; test fishery and co-management
(MAR) Shrimp trawl surveys	(PAC) Prawn trap - delivery of the commercial fishery
(MAR) Halibut abundance survey/stock assessment	(PAC) Prawn post-commercial fishery spawner index sampling
(MAR) Scotian Shelf snow crab survey	(PAC) Shrimp in-shore pink and side strip stock assessment and trawl survey
(MAR) SFA 29 Scallops	(PAC) Geoduck - stock assessment recruitment, biomass surveys and analyses
(MAR) 4VWX Herring fishery: German Bank acoustic survey	(PAC) Sea cucumber - stock assessment surveys and experimental fisheries
(MAR) Lobster recruitment index and commercial trap sampling	(PAC) Red sea urchin stock assessment survey and analysis
(MAR) ITQ groundfish survey	(PAC) Green sea urchin stock assessment and survey
(MAR) Offshore clam surveys	(PAC) Pacific sardine stock assessment; co-management and aerial survey
(NL) 3KPS4R lobster sampling	(PAC) Coast-wide scallop assessment (scallop dive industry)
(NL) Snow crab survey	(PAC) Scallop trawl stock assessment (scallop trawl industry)
(NL) GEAC Unit 2 redfish survey (biennel survey)	(QUE) Herring abundance assessment in 4RS
(NL) Herring research gill net project	(QUE) Lobster sea sampling (recruitment data)
(NL & C&A) Northern shrimp - Northern Shrimp Research Foundation survey	(QUE) Snow crab survey and index
(PAC) Bottom trawl multi-species groundfish science stock annual assessment	(QUE) Capelin spawning survey
(PAC) Hook and line multi-species groundfish survey and stock assessment (e.g. rockfish and halibut)	