



# AN ATLANTIC FISHING TALE 1999-2011

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A policy 'rags-to-riches' story  
that's good news for Aboriginals and for Canada.

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A vessel in the Elsipogtog Commercial Fisheries fleet

# An Atlantic Fishing Tale 1999-2011

A policy 'rags-to-riches' story that's good news for Aboriginals and for Canada.<sup>1</sup>

## Executive Summary

In 1999, the Supreme Court ruled on the Marshall Decision, giving Mi'kmaq and Maliseet First Nations (MMFN) in Atlantic areas the right to fish commercially for "a moderate living." Twelve years later, 27 of the 34 MMFN to which the Marshall Decision applied have Contribution Agreements with the Department of Fisheries and Oceans and are now actively engaged in fisheries. In 2009, estimated economic returns to MMFNs from fishing were \$35 million, up from \$4.4 million in 1999. Employment is up, the employment income gap is down, and MMFN fishing and fishing-related businesses are growing in number and in scope. These significant positive changes are not a fluke. Following the Marshall Decision, there have been a series of public policy and program models created to obtain fishing licences and equipment, get MMFN communities on board to create and implement business plans, and help execute those plans.

Since 2007, the Atlantic Integrated Commercial Fishery Initiative (AICFI), a completely new and different policy approach unlike anything seen before in Canada, has incorporated the lessons learned since the Marshall Decision to create a quantitatively and qualitatively successful program to create MMFN fisheries and support them as they grow and transition into larger and more fully integrated

MMFN fisheries companies. AICFI is up for renewal on April 1, 2012, and this paper describes the successes and struggles of the initiative over the past four years.



Four main barriers to even greater success stood out: funding constraints, limited support from experienced business specialists, low awareness of AICFI among some MMFNs combined with historic tensions, and inadequate regional involvement. However, there appear to be at least 12 core principles and values that have made AICFI successful and have potential for knowledge transfer. They include the following:

- 1) **Voluntary participation.** Transparency has to start at the beginning so participants know what is expected of them and by them.
- 2) **Political firewalls** are needed between the contractor and the government, and between the contractor and the client to build programs that are based on performance and trust.
- 3) **Continuous and systematic client consultation** is the *sine qua non* of program planning. This needs to include a mix of face-to-face and at-a-distance means of receiving and processing information, allowing the program to make changes that can improve the chances of successful outcomes.

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- 4) **Confidentiality** for individual or corporate proprietary information must be firmly applied so the client has confidence information won't be given to competitors or politicians. Breaches must be punished in draconian ways.
- 5) **Advisory services** should be provided by a highly-skilled core program team and occasionally a contract specialist.
- 6) **Stages and linkages** in program design are important. "Measureable bites" that build to a next level of competency when successfully completed encourage clients to participate, and make it possible for the program to measure competency over time for increasingly complex skills.
- 7) **Information infrastructure** is critically important. A program must help its participants to use data analysis as a basic building block for decision-making for long-term sustainability.
- 8) **Simplicity and clarity** in all program communications is possible. The AICFI applications and background information for its participants/clients (available online) are easier to understand than the short-form CRA individual tax return.
- 9) **Flexibility** is best utilized when the community/client identifies a need for it that arises from a comprehensive project plan.



- 10) **Performance-based outcomes** need to be determined at the beginning of the process and expanded midway through.
- 11) **Tight management controls**, meaning there is a high level of information exchange among all program staff. There should be a management committee with breadth in functional management and program skills that meets regularly with the objective of quickly identifying significant problems and dealing with them through program changes or managerial action in a timely manner.

- 12) **Program length and renewals.** Experience and research show that a five-year term is minimally required for impact, with the stated intention of renewing for a second five years if the performance-based measures are trending positively by the end of the first term.

AICFI represents a distinctive and positive case in major policy change and, more particularly, in its program implementation, conception, and delivery. Its lessons have high potential applicability in FN issues at a range of social and economic levels. Its lessons also reach farther afield and offer promise for improved policy and practice in a large country with widely differing inter-and intra-provincial differences and characteristics.

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# In the Beginning Was the Supreme Court's Decision

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Ask most Atlantic Canadians over the age of 30 if they've heard of "the Marshall Decision," and you'll likely get an affirmative reply. It was the Supreme Court decision that gave Mi'kmaq and Maliseet First Nations (MMFN)<sup>2</sup> in Nova Scotia (NS), New Brunswick (NB), Prince Edward Island, and the Gaspé region of Quebec the right to fish commercially for "a moderate living," not just for food and ceremonial reasons – rights which earlier had been guaranteed by the 1990 Sparrow decision.<sup>3</sup>

Ask that same citizen what they remember about the decision's implementation and they'll tell you about months of TV footage of conflict between First Nations (FN) and non-native fishers at Burnt Church, NB and numerous other communities in the Maritime provinces.

Nearly 12 years after Donald Marshall Jr.'s conviction was overturned for fishing and selling net-caught eels out of season and without a licence, those same eastern waters are calm. There has been a sea change in the Maritime, Gulf, and Gaspé fisheries. Some 27 of the 34 MMFN to which the Marshall Decision applied are now actively engaged in in-shore and some in mid-shore fisheries. Beyond harvesting diverse species, a few of these FN communities have begun processing or distributing operations and are involved in co-partnerships with non-native businesses. Below are a few markers of their overall success:

- Estimated economic returns to MMFNs from fishing in 1999 were \$4.4 million. The estimated economic return in 2009 from fishing was \$35 million.<sup>4</sup>
- The number of fishing licences held by MMFNs in 1999 was 316. In 2000 – the year after the Marshall Decision – they had risen to 594, and to 1238 by 2009.<sup>5</sup>
- Fishing-related direct employment in the affected communities rose by 57 percent between 2000 and 2008, from 1187 jobs (16 percent of total MMFN employment) to 1862 (18 percent of total MMFN employment).<sup>6</sup> Goods and services suppliers in MMFN and other Atlantic communities created an estimated additional 500 plus jobs.<sup>7</sup>
- The creation of new jobs has contributed to increasing numbers, and higher levels, of employment revenues, helping to reduce the average employment income gap between MMFN households and the rest of the Atlantic Region from \$8659 in 2001 to \$8061 in 2006 – a 7 percent improvement.<sup>8</sup>
- The 27 participating communities have developed and approved business plans, HR plans, and job descriptions, and their fishing coordinators utilize sophisticated, yet simply operated, integrated Fisheries Management System (FMS) software. Two additional communities have signed Contribution Agreements (CAs) with DFO.<sup>9</sup>
- 24 MMFN diversification projects were completed in 2010-2011 for businesses or partnerships in fish and shellfish aquaculture, fish buying/holding, ice making, marine servicing, transportation, product development, processing, and retail outlets. Another 10 projects are underway in 2011-2012, and a further 14 projects are in early planning stages for 2012-2013.<sup>10</sup>

Overall, it's a big and positive change, but it didn't happen accidentally. These post-Marshall years can be divided into four phases (two of which are combined in the first) that have moved progressively from poor (but necessarily expedient) policy to public policy recovery on to public policy and program models not previously seen in Canada. The latter deserve attention, reinforcement, and locally adapted replication. These historical phases are described below.

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## Marshall Response Initiative (MRI), Initial and Longer-Term Phases, 2000-2007<sup>11</sup>

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Court processes never happen quickly, especially when constitutional issues are involved. So it is particularly eyebrow-arching that when the Marshall Decision was announced, the Department of Fisheries and Oceans (DFO) had done no contingency planning for a Marshall win, which would have large and permanent consequences. Apparently they bet that since the case had failed at lower appellate levels, the Supreme Court of Canada would follow the trend.<sup>12</sup>

In rendering its decision, the Supreme Court made it clear that its judgment should be implemented with speed – and that's what happened, on both the MMFN and the DFO sides. For their part, the MMFN began fishing commercially right away, and indicated they would fish in the 2000 spring fishery whether or not they had licences from DFO. DFO, however, was still legislatively and administratively responsible for management and regulation of the fishery. Tensions quickly escalated dockside and on the water, as DFO scrambled to negotiate Contribution Agreements (CAs) with the MMFNs, so licences and money could flow to them. The government allocated \$159.6 million in the initial phase of the Marshall Response Initiative (MRI), and within a month of the decision had appointed a Chief Federal Representative to oversee the process of negotiating Interim Fisheries Agreements (IFA) to give MMFNs immediate access.

DFO's next step was to establish the Fisheries Access Program (FAP) to provide the access promised in the CAs – essentially a licence-and-gear buy-back program to aggregate licences and equipment for the MMFNs from existing fishers, as the licence pool already was fully subscribed before the Court decision. This was followed by a second MRI component, Co-Management, a program to provide training and consultation to prepare MMFN members to become successful fishers, and to incorporate MMFN views into the DFO planning process for the region. The initial Co-Management activities included marine safety and conservation training.

By 2001, it was clear that the one-year program was insufficient to carry out both the Court decision and to assure a peaceful and orderly future in the fishery. The Longer-Term MRI was to run until March 31, 2004, and received funding of \$430.2 million. Its objectives were to complete CA negotiations providing MMFNs with access, to assist them in building and managing their fishing activities, and to maintain a peaceful and orderly fishery.

The final costs of the second, longer-term, phase of the MRI are summarized in Table 1. To these must be added the cost of the Initial MRI, \$159.6 million, for a total of \$589.8 million.

**Table 1: Total audited costs of the Longer-Term MRI**

FINANCIAL AUTHORITY FOR THE LONG-TERM MARSHALL INITIATIVE						
		FISCAL YEAR				
	VOTE	2000-01	2001-02	2002-03	2003-04	TOTAL
<b>Fisheries Access Program</b>	10	\$30,000,000	\$89,406,000	\$89,406,000	\$69,406,000	\$278,218,000
	1		\$3,594,000	\$3,594,000	\$3,594,000	\$10,782,000
		\$30,000,000	\$93,000,000	\$93,000,000	\$73,000,000	\$289,000,000
<b>Capacity Building</b>	10		\$18,500,000	\$18,500,000	\$38,500,000	\$75,500,000
	1		\$1,500,000	\$1,500,000	\$1,500,000	\$4,500,000
			\$20,000,000	\$20,000,000	\$40,000,000	\$80,000,000
<b>Interim Enforcement</b>	1		\$15,000,000	\$10,000,000	\$5,000,000	\$30,000,000
<b>Program Delivery</b>	1		\$10,400,000	\$10,400,000	\$10,400,000	\$31,200,000
Total Costs		\$30,000,000	\$138,400,000	\$133,400,000	\$128,000,000	\$430,200,000

Vote 10 represents items related to Grant and Contribution Category and Vote 1, items related to Operating category.

Note (1) Operating expenses come from credits under Vote 1 and includes budget items such as Interim enforcement and Program delivery.

Source: 2009, *Final Audit Report of the Longer-Term MRI (Capacity-Building)*<sup>13</sup>

Two more years’ experience proved inadequate to accomplish those objectives, and so in January 2004, the MRI was further extended to March 31, 2006. Still later, it would be extended to March 31, 2007, but neither of these post-2004 extensions carried any additional funding. By March 2004, there were CAs with 31 of the 34 MMFNs and a further MMFN entered into a CA with DFO in 2005. The remaining two MMFNs covered by the Marshall Decision did not wish to enter into CAs that they believed would infringe on their treaty rights, although they did receive commercial access to the fisheries.<sup>14</sup>

A sense of the mixed feelings – “it was a start,” “it was a train wreck” – about the two MRI phases was evident in the 22 interviews conducted in this review. The most commonly used words in describing the MRI are illustrated in Figure 1.

**Figure 1: Commonly used descriptors for MRI program outcomes**



On one hand, the MRI made things happen in a hurry, which was critical given the conflict, violence, and disorder in the FN and non-native fishing communities. It got licences, basic marine safety training, and gear to the MMFNs so they could immediately begin to access their right<sup>15</sup> to the commercial fishery. The licence buy-back program from non-native fishers was the quickest way to get licences (which are for specified geographical territory) back into a pool that could be reassigned to MMFNs. Many of these were profitable licences in use, but not all. There can be many reasons for letting a licence lie fallow for a period: poor market prices, species conservation or habitat damage, high fuel prices, or distance to the licence site, for instance.

On the other hand, buying licences back also meant buying used gear from non-native fishers. Unfortunately, a lot of the gear then given to MMFNs turned out to be ageing junk that needed repairs, replacement parts, and proper maintenance (see Table 2), which were provided subsequently through AICFI/AAROM.

**Table 2: Vessels allocated to MMFNs during the two MRI phases**

	MARITIMES		GULF		QUEBEC		TOTAL
	New	Used	New	Used	New	Used	
Initial	21	17	41	34	0	15	128
Longer-term	16	44	44	42	5	16	167
<b>Total</b>	<b>37</b>	<b>61</b>	<b>85</b>	<b>76</b>	<b>5</b>	<b>31</b>	<b>295</b>

Source: NCR Aboriginal Policy and Governance Directorate<sup>16</sup>

The MMFNs – never having been in this business before, for the most part – didn’t have the training or skill sets in the early years to assess and manage equipment. Similarly, MMFN fishers needed skills in a hurry, and through much of the succeeding decade have had to hire non-native captains and first mates (and, sometimes, their boats) for their higher-end marine skills. There were no administrative or HR systems in place for hiring and managing the new Commercial Fishing Enterprises (CFEs) and governance issues and policies at the MMFN level had to be put into place – which would be a long-term investment in people and systems.

Having so much money laid on the table so quickly also drew a large number of consultants and suppliers; not all gave good value to their new MMFN clients. Kevin Fram, now DFO’s Director responsible for the Atlantic Integrated Commercial Fisheries Initiative (AICFI) file, also saw the MRI program at work during his early years in DFO’s Aboriginal Programs and Governance Directorate. “We had all kinds of horror stories about Bands who were ill-advised, or who got ripped off by some operator,” he said.<sup>17</sup>

John G. Paul, Executive Director of the Atlantic Policy Congress of First Nations Chiefs (APC), was also on the Marshall and post-Marshall file from the early days. During the MRI, he said, “everybody was so focused on making the CA deals that nobody ever really addressed the issues around what kind of capacity is required in the communities to actually manage those ventures.

“You signed an agreement today and next month you had a multi-million dollar fleet,” Paul adds. “But one of the things the MRI did for the communities is to help them identify who really was trying to support them, and who was trying to make a profit out of them. Everybody was trying to make money, and the communities were trying to create employment and opportunities – but after the licences and the money were transferred to you, DFO was nowhere to be found, and that went on for a long time.”<sup>18</sup>

Paul acknowledges that the latter years of the MRI saw investments in some small support activities, but much of the money had been spent on licences, gear, wharf upgrades to handle increased boat numbers, and “too many consulting sharks.” By then, most of the MMFNs realized that more structure and process was needed to sustainably operate these large enterprises.

“You’ve got to take care of your vessels, you have to have training, you’ve got to be certified – so somebody needed to create that management capacity to work with the different fishermen and communities,” Paul noted. “You want to aspire to [be] the guy maximizing his catches, reducing his costs, having a stable crew, versus the other guy – ‘well, I picked all my cousins to work on the boat, and they never showed up, so we weren’t able to fish’... All the licences, the vessels, and the gear are owned by the community. If you screw up the vessel or whatever, you’re just destroying your means of employment.”

Between 2004 and 2008, the most important of the small support activities was the At-Sea Mentoring Initiative (ASMI), conducted under the umbrella of another new program, the Aboriginal Aquatics Resource and Oceans Management (AAROM), but overseen by ASMI’s Technical Advisory Committee (later, AICFI-TAC). In its first stage, ASMI provided two-week training courses to 70 MMFN and 20 non-native fishing mentors and certified them. In its second stage, it deployed these individuals on boats, where they provided hands-on experience to 375 in-shore and mid-shore fishers from 11 MMFN communities. Overall, the AAROM program proved to be a good transition tool in the migration from MRI to AICFI, as well as in later periods.

By virtue of the Marshall Decision, the MMFNs had a permanent right to the commercial fishery, and exclusive rights to other harbours, rivers, and habitat on reserve land. By 2007, governments and non-native participants in the fishery thoroughly understood the MMFNs weren’t going to go away. More positive relationships were already being built between the non-native fishery participants and the MMFNs. Among the federal government

and the APC Chiefs, there was a realization that something completely different had to happen or a \$600 million investment was going to dissipate, which would bring matters right back to the courts and to treaty negotiations tables.

## Eskasoni First Nation and Crane Cove Seafoods

Eskasoni First Nation, Nova Scotia ([www.eskasoni.ca](http://www.eskasoni.ca)) is located on the Bras d'Or Lakes in central Cape Breton Island. It is the largest MMFN in Nova Scotia, with a 2008 population of 3893, up 42 percent from the 2001 population of 2741 in 2001. In 2006, during the late MRI period, Eskasoni established Crane Cove Seafoods as the sole division of their commercial fishery.

Today, Crane Cove is a fully integrated fishery that harvests wild-caught snow crab, shrimp, lobster, groundfish, scallop, and tuna. The company employs up to 140 community members as fishers or processing plant workers at the height of its season on

13 vessels (35-to-65 feet) that fish 36-38 licences that run from Ingonish (in northeastern Cape Breton) to Yarmouth (on Nova Scotia's South shore). They passed \$10 million in annual revenues a few years back, and their annual financial contributions to the community have assisted Eskasoni significantly in paying off a long-accumulated \$18-million operating deficit that they expect to retire shortly.

The company has FN management staff (CEO Leonard Denny and 7-8 other functional manage-



ment staff), Captains, and crews. With AICFI and AAROM help, the company entered the seafood cartage business a few years ago. Today, their trucks pick up and deliver product (Crane Cove's and product from other processors) throughout Nova Scotia, Atlantic Canada, and into New England. Industry observers feel Crane Cove could catch a second curve of growth that, with access to capital, could leverage them to a dominant regional position in the industry.

With the support of their Chief and Council, Crane Cove management staff has refocused their business on harvesting core products (mainly snow

crab, shrimp, and lobster). They have outlined and are following a plan that grows the business in these areas and uses their dominance in these species to create further opportunities and competitive advantages.

Sources: [www.eskasoni.ca](http://www.eskasoni.ca), <http://www.eskasoni.ca/Departments/5/>, *Industry Canada's Company Directors by Industrial Sector*, <http://bit.ly/y4IKrr>, and AICFI files.

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# And Now for Something Completely Different: AICFI, 2007-2011

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That completely different, new policy approach was the Atlantic Integrated Commercial Fishery Initiative (AICFI). A number of lessons had been learned from the MRI experience. Issues that were related to proper government reporting, et cetera, could be (and were) fixed through federal departmental structures and policies. It's the lessons learned during MRI from trying to work effectively with the MMFNs that were much more critical and risky, but needed to be accounted for in any new program:

- Program components have to allow enough adaptation and focus to work specifically with communities, their aspirations, and their needs. Flexibility is key.
- While DFO money (and other federal program contributions) provides the majority of funding for program implementation, the DFO brand (and that of any other federal department) has to come off.
- There also needs to be a program firewall between FN politics, the new CFEs, and any business support program.
- Information provided by individual MMFNs had to be confidential to the business advisors working with them – not shared with bureaucrats or other communities. Otherwise, trust and confidence couldn't be built.
- Every MMFN had to start with having a system of governance and a good business plan for their CFE, and the Chief and Council needed to show they were on board through a Band Council Resolution (BCR) approving that business plan and the training plan.
- CFEs should have to report back to Chief and Council at least annually, discussing how they did (or didn't) meet the expectations of the business and training plans.
- Business advisors shouldn't just sit at their desks – they must be out in the communities, working hands-on with the CFEs.
- Business advisors support and help their clients in getting and managing resources, but can't 'do it for them.'
- The CFEs need to benchmark their results against those of successful non-native fishermen.

Looking back to 2006-2007, much of the credit for conceiving the AICFI that emerged and incorporated these learnings is given to four men – John G. Paul, Kevin Fram, John Foster, and David Balfour – all of whom are bashful about claiming credit, attributing it to a wider range of board and staff team players at the APC (and the capital corporation, Ulnooweg Development Group) and DFO. Foster became a consultant to DFO in 2006, principally to look after all the paperwork associated with any federal program up to, and including, Treasury Board submissions. In 2008, he took on a three-year role as Third-Party Evaluator for the AICFI program. Balfour is Senior Assistant Deputy Minister at DFO for Ecosystems and Fisheries Management, and he has been a strong internal champion at DFO for AICFI.

The lion's share of conceptual credit, however, is given to Paul and Fram. Both professional, they have built a working relationship that works for AICFI's purposes, although it remains clear that the Atlantic Chiefs and DFO have many issues on other tables.

About Paul, Fram says, “He’s a very rare individual and someone who cares very deeply about the communities. He manages many relationships at all different levels, and he’s devoted enough time to involve himself personally in the design, implementation, and ongoing management of this program to assure its success.”

Paul adds about the program and its structures: “This is the first time we’ve actually had a real partnership in terms of having an open and frank and honest discussion about stuff that they [DFO] do that doesn’t make sense, and they actually listen.”

## AICFI’s Objectives and Structures

AICFI, conceived during the closing 12-18 months of MRI, was developed as a federal Transfer Payment Program, funded for five years, which was to be delivered through a third party – the APC – which further put it under the direction of the regional aboriginal capital corporation, the Ulnooweg Development Group. Thus, AICFI provided a firewall between the MMFNs and federal departments (DFO, Aboriginal Affairs and Northern Development Canada [AANDC], Environment Canada, and Parks Canada), as well as the political arm of APC. This key decision was consistent with advice provided to AICFI’s planners by the Harvard Project on American Indian Economic Development.<sup>19</sup> Founded in 1987 by Professors Stephen Cornell and Joseph P. Kalt, the Harvard Project has for 25 years studied what works, where, and why in tribal governance in the United States; many of the same conditions apply in Canada. Their research strongly finds that sovereignty, institutions, leadership, and culture all matter to good FN governance.

AICFI also incorporated the results of a 2005 survey of the MMFN communities by the APC, which summarized what MMFNs felt was needed in any successor program to the MRI:

- Capacity building to improve corporate governance of the CFEs, and structures that would improve performance in the commercial sector.
- Encourage greater participation in the existing DFO advisory process.
- More use of the AAROM to build technical capacity and a greater management role.
- Focus on growth support that creates a high level of technical expertise for MMFNs and their CFEs.
- Address the considerable appetite for growth in fisheries harvesting.
- Develop strategies to maximize use of existing licences.
- Recognize that resource variability, quota changes, and market fluctuations make a focus on business management strategies more critical.
- Create a capital pool related to harvesting development and diversification.<sup>20</sup>

For the federal government, the overall long-term goal of AICFI was to continue to create positive conditions for concluding longer-term treaty arrangements with the MMFNs.<sup>21</sup> The program’s specific objectives were to assist the MMFNs:

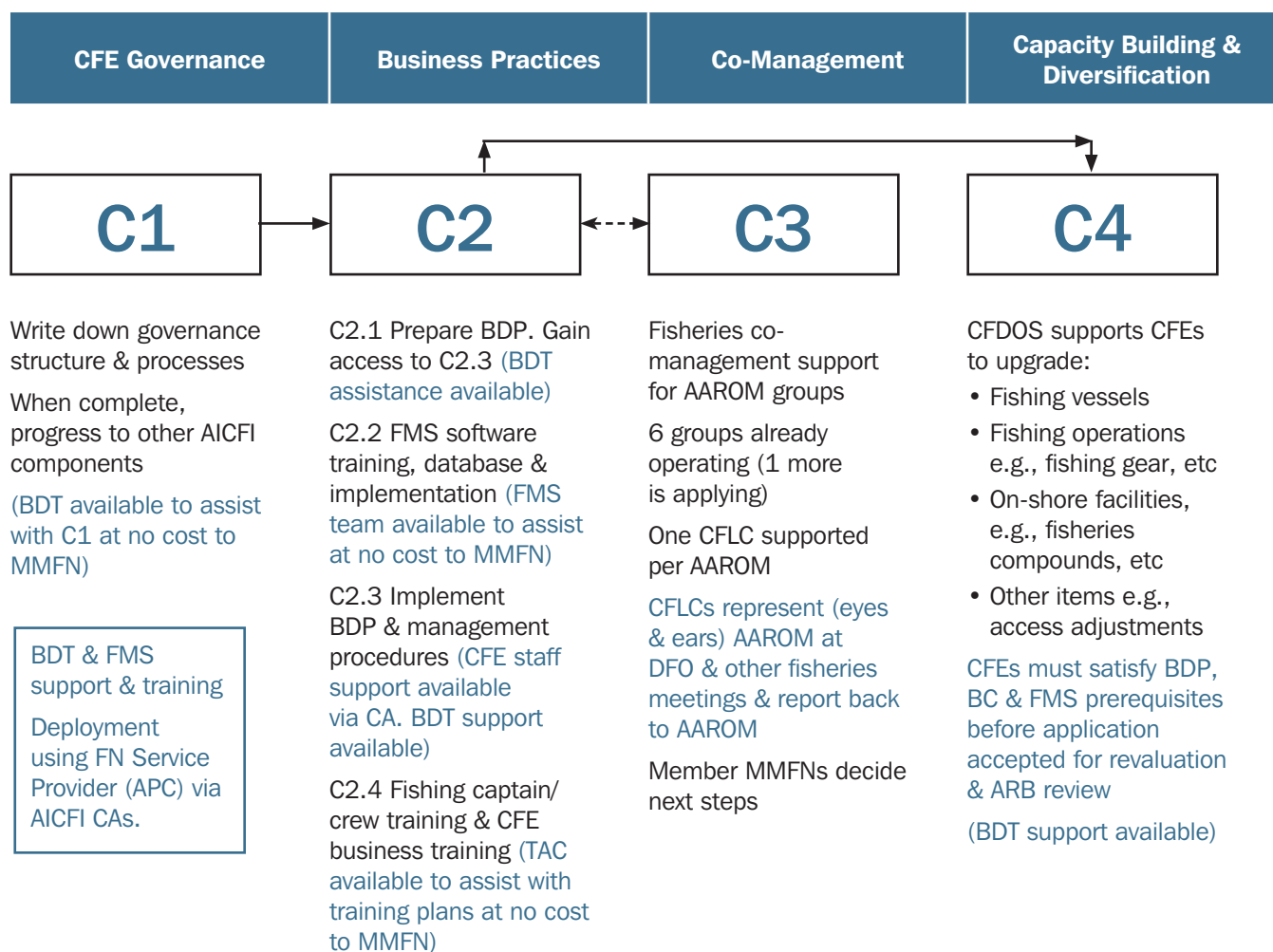
- Maintain and secure the significant investment made in existing fisheries assets attained through the MRI.
- Further develop the governance, management, administrative, and operational capacity of MMFN CFEs to enable them to operate successfully.
- Help diversify existing fishing enterprises to improve or replace fishing vessels and shore facilities, as well as small increases in licence access through the addition of partial/seasonal or even temporary allocations.
- Assist MMFNs, primarily through Aggregate Bodies (ABs), to assume greater responsibility for their ongoing training/mentoring and other capacity building activities covered in the program.

- Enhance the ability of MMFNs to participate in the collaborative management of the integrated commercial fishery.<sup>22</sup>

All 34 MMFNs were eligible for support under AICFI, but participation of each MMFN in AICFI was entirely voluntary. This voluntary aspect has been an important point, according to Paul: “The communities are very resistant to anybody telling them what to do, so we basically tried to understand and listen to them...and to make sure the various program pieces fit what it is they are trying to do in terms of their vision, business, governance...”

Operationally, AICFI has a four-step process toward increased self-management and sustainability for the MMFN fisheries as shown in Figure 2 (for more details see appendix B).

**Figure 2: Key features of AICFI**



C = component of AICFI, BDP = Business Development Plan, BC = Business Case, FMS = Fisheries Management System

Source: AICFI Update on Progress (PPT External Deck), slide 6, April 26, 2011 (Ottawa: Fisheries and Oceans Canada)

For client MMFNs, these represent four components of their CFE business development. The first Component (C1), is about governance of their community fishery – structures and processes – and starts by the MMFN

providing a letter to DFO asking to participate in AICFI (and its associated Fisheries Knowledge Network [KN] of support services), and providing documentation by the Chief and Council that all the requested activities have been approved by them. The program, through its Business Development Team (BDT) then will support the MMFN in documenting or revising any existing CFE governance structure. This would include how their assets are operated and returns are shared with the community, the number of leadership or senior management positions in the CFE, and how they report back to Chief and Council. There is no charge to the CFE for this BDT assistance.

Once the MMFN has its governance structure designed and documented, the Chief and Council can then ask DFO to participate in Component 2 (C2), which provides BDT support to help the MMFN prepare a comprehensive Business Development Plan, which becomes the basis for the MMFN's CA with DFO in the second stage of C2. It also enables the MMFN to participate in the electronic Fisheries Management System (FMS). Once the business development plan is in place, the MMFN can apply under C2 for funds to implement their plan, thus defraying the cost of their CFE Fishing Coordinator and other key administrative staff and their training and specialized in-class and at-sea training for their on-ship captain and crew. All this is accomplished through working with a Fisheries Advisor from the BDT, or from AICFI's marine training team, and most of the costs of their advisory resources can also be offset through funds from C2. The MMFN isn't required to participate in the FMS at this stage, but most choose to because of the extensive amount of data it captures and analyzes to help them manage their fishery and do future planning. Also, they can't participate in Component 4 (C4) without the FMS.

Component 3 (C3), as Figure 2 notes, can occur in parallel with C2, and brings the MMFN into fisheries co-management with DFO, through user groups (ABs) established by the AAROM program. Through the maze of documents available about AICFI and AAROM, it is clear that the two programs are highly synergistic, and either would be difficult to fully deliver to MMFNs without the other. AAROM officially links ABs into the fisheries co-management advisory process by enabling community consultations and by funding travel for an AB employee as a Commercial Fisheries Liaison Coordinator (CFLC) to attend as "eyes and ears" at advisory committee and related meetings.

Finally, with a business and training plan well into implementation, FMS participation, and support from Chief and Council, MMFNs can ask to participate in Component 4 (C4), which can assist with vessel and equipment improvements (many MMFN fishing vessels are 10 years and older), other operations upgrades (such as sensors for monitoring fuel flow or winch loadings), minor onshore support (such as haul out, storage, ice making, dockside transport, et cetera) and minor changes to round out existing access. For every dollar contributed by AICFI to C4 projects, an additional \$0.32 was contributed by the applicant MMFNs by end of fiscal year 2009-2010 – about \$1.9 million.<sup>23</sup>

Importantly, access to funding under C4 is only granted to those MMFN CFEs that have demonstrated the implementation of adequate governance structures and business practices that are key elements to achieving a degree of success as a CFE. In 2009-2010, 16 projects were completed under C4, and this year 24 MMFN projects qualified and have successfully participated in C4 support and funding. This has led to the development of a necessary but complex assessment framework that objectively measures progress in three key areas:

- Adequacy of the applicant's CFE Business Development Plan.
- The degree to which sound governance and business and operational structures and procedures have been implemented.
- The overall success of the applicant's fishing operation.<sup>24</sup>

A 'Business Capacity Achievement' measurement has been developed by the AICFI team, which will be described in a later section of the paper.



First Nation (NS); and consultant Robert Royle, Halifax (NS). Paul, Fram, and Gorazd Ruseski, Director, Policy, Research Coordination Directorate, Lands and Economic Development, AANDC, are ex-officio members, and Foster attends in his role as Third-Party Evaluator.

While this explanation of the AICFI structure may seem very detailed, even laborious, it makes the point about how effectively lessons were learned after the write-a-checke days of the MRI. Participation is voluntary but once in (note the documented approvals required of Chief and Council), a community’s step-by-step progress toward full self-management and sustainability is clear and measurable.

## Elsipogtog First Nation and Elsipogtog Commercial Fisheries

Elsipogtog First Nation, formerly known as Big Cove, is in New Brunswick, on the shore of the Gulf of St. Lawrence, and has a 2010 population of 3046. As a large FN, it received investments during the MRI period that built a large compound with three bays for 45-foot fishing vessels.

Prior to AICFI, the compound was not equipped to do much and was essentially mothballed. Subsequent investments in training and rejuvenated equipment have made the compound a hub of seasonal fishing activity. The band’s fishery company, which has five employees, is also now using some compound space to stock fiberglass and marine supplies for winterizing, and has plans to expand this service regionally, as it is 45 minutes one-way to the nearest service centres in either Miramichi or Moncton. Two community members have been fully trained as marine mechanics. Presently, they look after the band’s vessels, but future plans would see them also providing services to FN and non-FN clients in the region.

As part of its restructuring under AICFI, the company developed a new royalty-based fishery model, Chief and Council accepted more of the financial risk, a Fisheries Management Board was created, and a new management model was developed for its training and service centres. “AICFI has played an essential role in achieving results,” Chief Jesse



Simon told a 2011 National Aboriginal Fisheries Forum, “but it’s premature to measure (sustainable) success – it’s critical that AICFI be continued.”

Elsipogtog has 70 fishing vessels – the largest fleet, by far, on the East Coast – which range from 28- to 45-footers, and its own processing plant. Its commercial snow crab licences are fished communally, while its other licences for lobster, rock crab, clam, smelt, and

gaspereau are all small-harvest areas fished by individual community members.

In 2010, the fishery generated \$1.2 million in revenues and employed about 100 community members, although in 2009 it had earned \$2.7 million and employed nearly 200. A nearly 50 percent drop in the price for snow crab explains part of the difference, along with a drop in quota (from 1.75 million to 650,000 lbs.) and a significant rise in fuel costs. AICFI marine and management training helped the company to make necessary adjustments to this dramatic change in market conditions and sustain itself.

Sources: AANDC population registration site, <http://www.aadnc-aandc.gc.ca/eng/1309370619296>; “Vertical Integration and Strategic Partnerships in the Snow Crab Industry,” Chief Jesse Simon, <http://www.apcfn.ca/en/fisheries/NAFConf.asp>; and AICFI files.

## Critical variables in the AICFI success equation

The various evaluations of AICFI have identified some of the reasons for its success, and these are discussed in a later section. Retrospectively, during interviews for this paper, many of the key players in AICFI identified which of the program variables were most important in their view. To start, there are the big three program components that everyone – clients and providers – agrees are so important to maintain into the future: the Business Development Team (BDT), the Fisheries Management System (FMS), and the Technical Advisory Committee (AICFI-TAC).

## The Business Development Team (BDT)

The BDT, now widely believed to be one of the ‘jewels in the crown’ of AICFI, was a risky gamble, bureaucratically speaking, for Fram and Paul. They had some experience with ASMI in the later years of the MRI, and some other small initiatives, but realized that AICFI’s success depend on getting the right people to be business advisers to the MMFNs.

“We’d learned our lesson from the previous program,” Fram said. “What matters to a (local CFE) Fishery Coordinator is somebody that knows what they’re talking about, and commercial fishing is a really complicated business – it’s hard to make dough.”

As DFO didn’t have such experts (“If I was an expert, I wouldn’t be working at Fisheries and Oceans – I’d be out making a million bucks in the industry,” Fram says) and nobody wanted the MMFNs to get ripped off again by folks who would collect a fee while sitting at a desk and filling out the application forms. So it was decided to hire an executive search firm to find the BDT advisers.

The firm had networks into the industry and they found people with the right backgrounds, according to several senior interviewees. The firm guaranteed the positions for the first year – if it didn’t work out, they were on the hook to find AICFI a replacement. The firm also helped with independent assessments of candidates and setting a salary range for the skill set needed.

The first three hired included an accountant, a former Fishery Coordinator for a community in Québec, and a former fish plant manager who had also managed a deep-sea trawler fleet for another large seafood company. They worked for AICFI from their home communities across the Maritimes, each handling about nine communities. Their team leader, David Simms, came to the position with 25-30 years of community economic development experience, “and has the patience of a saint,” according to Fram. Together, the BDT has tremendous ‘street cred’ with the MMFNs because they know the business.

In 2010, two additional advisers were added to the BDT, with specialist experience in fish processing, marketing, and aquaculture. Their role was to advise those MMFNs now starting to branch into vertical supply chain businesses (such as ice making, fish processing, and retail sales), or to diversify horizontally (into aquaculture, for instance). While all the BDT are geographically dispersed, they communicate constantly, through email and phone, and BDT Leader Simms monitors what is happening and brings people together virtually or in person when required. As well, they submit weekly reports to Simms, who then incorporates information into his reports to the Management Committee and others. In the team’s bi-monthly meetings, they share information, solve complicated or multiple-player problems, and generally make sure that they don’t blind-side one another or any other program staffer in their work.

“The people who are on the (BDT) – the way we described it – is that (sic) we hired people with batteries included...they had a lot of skills before they came to us,” Paul says, “because I knew the biggest hurdle we had to get over was getting...trust and credibility because of all the other flim-flam characters... because the number one question of the Chief [was] ‘Why should I trust you, why? You’re just another person coming here to save us, why should I trust you?’”

In addition to their expertise, the BDT members – who initially only went to a community if they were invited – have developed a strong reputation for respecting MMFN confidentiality, from other MMFNs and from APC and DFO unless they have the MMFN’s permission. “The BDT have understood about the intent of their job – it has to be the community’s intent,” says Paul. “At the beginning (we had) to explain that everything was within the dome of business confidentiality – everything they say is between them, and I have no comment on it.” Fram adds, “I never see their CFE financial statements – that’s between them and the BDT member...We don’t care what kind of CFE governance structure they have, but we want to make sure they have one and it’s documented and they’re accountable for it.”

The BDT have also been engaged by the APC to work with the Nova Scotia Community College on a series of six modules in a Fisheries Enterprise Management Training program that can be delivered to the MMFN fishery managers to improve their overall business skills relating to fisheries management. These courses will also be a part of an eventual professional certification. Two modules (Informed Decision Making and Financing) were delivered in 2010-2011 to 24 participants in English; four more participants have attended the first and second modules in French.<sup>25</sup> APC is engaged with a Fisheries Coordinator Training Advisory Committee, which will provide ongoing advice and direction from the communities on fisheries management and skills training.

Some of the respect the BDT members have comes from their reporting relationship to Ulnooweg, the Atlantic capital corporation for the MMFNs. From the beginning, Simms said, “We came into the communities as Ulnooweg employees, not as DFO or APC employees, and there was already a lot of respect for Ulnooweg.”<sup>26</sup> Ulnooweg CEO Todd Hoskin<sup>27</sup> notes that the BDT role bears some similarity to the advisory operations to band councils and entrepreneurs that Ulnooweg financial advisors have been providing to MMFNs for 26 years – but the BDT advisers are experienced in the relevant industry sectors, and have a much broader mandate. They can add value to the CFE from conceptual development through financing, and all the way through execution and roll-out.

Hoskin, who has worked in northern and central Canada for many years, and all other senior interviewees (including those from AANDC and DFO) agree that they’ve never before seen a federal program like this, where “getting the money was based on performance and producing results,” one official noted.

A future challenge is to gradually develop FN advisors who can assume BDT roles. One BDT team member is from a FN community, but the cumulative years of expertise of the present team means it will take time to reach similar levels of experience in the MMFN communities, especially as the MMFNs enter into new parts of the industry.

## The Fisheries Management System (FMS)

The development of the FMS was opportunistic, according to Fram. “We couldn’t have developed it during the MRI – there was gobs of money, plenty of access, and money for ‘capacity building support,’” he said. “So if you had tried to say eight years ago that the MMFNs had to participate in an FMS, I think we would have been told to go pound sand.” But that changed when the money dried up at the end of the MRI.

“After MRI, there was only fairly modest money for ASMI, and we had a Fisheries Operations Management Initiative, which was supposed to be about governance and building your business operational capacity,” Fram said. “But there wasn’t enough incentive for bands to get started on doing this stuff...there was just no uptake.”

And that’s when Fram and Paul started the FMS project, using the money that had been left on the program table. With the help of a Saskatchewan-based group that had worked with FN communities there, the idea was developed into a plan and began. Thus, when AICFI money finally flowed, FMS was well enough developed for the Management Committee to say that it would be mandatory. By that time, too, early design problems for the FMS had largely been sorted. For example, the initial design envisioned a stand-alone computer-with-software operating the FMS in each community. That proved impractical, as many of the communities are smaller and remote, without infrastructure support for fixing computers and extra training. So the FMS was changed to a web-based program operating from a central computer at the APC office in Cole Harbour, NS, where online troubleshooting and training support are also available to remote communities.

“It’s only now we’re here, six or seven years later, that we are at the point of some bands using the system and generating reports – it actually takes that long to see a thing like this through,” Fram added. “It was a big undertaking but we’re at a point now where it actually works, which is really neat.”

He and Paul see that it will grow in popular use because an effective CFE has to track a multitude of data to control costs, and to keep up with regulatory training requirements so insurance coverage isn’t voided. Already the FMS has shown its utility for planning, forecasting, and managing costs as a result of volatility in fish and seafood prices and fuel in the past few years.

Appendix E shows some ‘dummy’ charts (using fictional data) that can be produced by the system, measuring things like fuel flow, catch-against-quota inventories, trip costs, and so forth.

## **The AICFI Technical Advisory Committee (AICFI-TAC)**

The AICFI-TAC has provided the fisheries-related training to MMFN CFEs since AICFI began in 2007-2008, although the ASMI program had begun earlier, during the later MRI period. Allen Tobey<sup>28</sup> describes how the program has evolved in recent years.

“In the earlier programs, the CFEs and students didn’t know what they didn’t know, so we had to start with basics: marine safety, basic navigation, how to maintain the fishing gear, how to set and haul traps, and measuring the catch,” Tobey said. “But now we’re helping them flesh out what ‘new skills needs’ are – for example, constructing lobster traps – that can further increase employment in the community.”

Between Tobey and his team colleague, Clarence Savoie (who covers most of the New Brunswick and Gaspé training), they have 90 years of training experience. They meet daily by telephone or at a central location to discuss fishing training activities in all communities, whether AICFI-funded or not. An important part of their role is training for provincial and federal regulatory compliance, the provisions of which change frequently. They also maintain contact with all the local fisheries training schools.<sup>29</sup> Additionally, they advise and monitor training and mentoring results for AICFI. While they note there are still 8-10 communities that are not fully involved, a business culture is taking hold in most of the communities, “but it takes time,” as both men note.

Savoie<sup>30</sup> says those communities that are serious about training end up with a more lucrative fishery because they are more productive and efficient. Skill levels in some MMFN communities are now equal to or better than those

in non-native fishing communities. “In Gesgapegiag, for example, Preston Paul now has his class 4 training and next year will be first mate, and there are a couple of more guys behind him,” he said. Both men say it won’t be too many more years before all communities will be running their ships with MMFN captains and first mates – a change from contracting from outside the communities, as is now the case.

Figure 4 illustrates the scope and costs of training delivered through AICFI from 2007-2008 to December 31, 2011. (Some training remains to be completed before March 31, but is not shown in this table.)

**Figure 4: AICFI component 2.4 fisheries training statistical summary, 2008-2012**

Community (With AICFI Approved Training Plan)	# Seats/ Spaces in CA	# Actual Trainees	# Successful Completions	In- Classroom training	At-Sea Mentoring	Mentors Utilized	WH	MS	DH	Final Funding Cost
				Days Of Training	Total Student Days					
Abegweit	83	65	65	53	165	4	490	108	0	\$56,906.00
Acadia	4	5	5	144	0	0	229	5	0	\$14,825.00
Bouctouche	0	0	0	0	0	0	0	0	0	\$0.00
Burnt Church	240	210	198	101	0	0	840	358	0	\$142,035.70
Chapel Island	88	65	61	123	0	0	535	104	0	\$69,140.00
Eel Ground	6	6	6	0	72	3	144	0	0	\$17,280.00
Eel River Bar	66	51	33	33	90	2	325	85	0	\$61,136.80
Elsipogtog	198	259	243	252	0	0	2420	642	0	\$235,764.02
Eskasoni	173	181	177	58	0	0	639	298	0	\$88,825.00
Gesgapegiag	79	56	42	75	375	9	950	50	0	\$158,974.66
Gespeg	4	5	5	0	141	3	226	0	0	\$37,034.00
Lennox Island	158	68	68	45	0	0	225	146	0	\$52,000.00
Listuguj	51	63	52	73	260	8	875	138	0	\$154,311.42
Membertou	123	127	115	242	120	2	815	326	0	\$113,778.00
Metepenagiag	17	15	9	84	40	1	250	9	0	\$31,605.18
Millbrook	0	0	0	0	0	0	0	0	0	\$0.00
Oromocto	31	27	26	7	60	2	0	22	180	\$28,902.00
Paq'tnkek	62	63	63	42	80	8	246	85	56	\$34,330.00
Pictou Landing	130	100	100	38	20	1	290	229	0	\$60,470.00
St. Mary's	56	49	49	27	211	12	381	80	0	\$68,945.57
Viger	6	6	6	0	220	6	220	0	0	\$52,800.00
Wagmatcook	37	21	21	7	0	0	10	38	0	\$3,040.00
Waycobah	90	82	69	116	220	3	944	107	80	\$117,760.00
Woodstock	25	16	16	65	0	0	65	9	0	\$11,976.15
<b>Total</b>	<b>1727</b>	<b>1540</b>	<b>1429</b>	<b>1588</b>	<b>2074</b>	<b>64</b>	<b>11099</b>	<b>2837</b>	<b>316</b>	<b>\$1,607,839.50</b>
				<b>3882</b> Days of Training	<b>14252</b> Total Student Days					

**WH** – Wheelhouse    **MS** – Marine Safety    **DH** – Deckhand Skills

A total of 14,252 student days were spent in wheelhouse, marine safety, and deckhand skills training at a cost of \$1.6 million. While some communities now have a good pool of trained fishers as a result of this program, the need continues because of turnover and because many fishers are now ready to learn more advanced marine skills. Critically, there is both need and readiness for higher-level business management training.

## The Management Committee

This committee was mentioned earlier, but its importance merits further discussion. Its membership was expanded slightly in 2009 and now includes Paul and Fram (Co-Chairs); BDT Leader, David Simms; APC Fisheries Director, Stanley Oliver; FMS Senior Advisor, Michael Grant; and Ulnooweg Development Group CEO, Todd Hoskin. Once a quarter, the Management Committee is joined by the DFO Regional Directors of Aboriginal Fisheries (Gulf, Maritime, and Québec regions), the earlier-mentioned Gorazd Ruseski from AANDC, and John Foster, the aforementioned Third-Party Evaluator.

The senior oversight committees in Ottawa are too distant to be fully knowledgeable about operating conditions in the MMFNs, and are not attuned to the timeliness needs of the MMFNs or of this program in its delivery mode. They may be required to fulfill auditing and evaluation requirements at the federal level, but fulfill no apparent other operational functions. Small operational issues can quickly become larger issues if not dealt with promptly – and fishing operators need to know that the on-the-ground governance of the Management Committee includes people who know the fisheries business, have senior management experience, and know the communities and their needs. The structure implicit in its membership list assures that most any issue can reliably be tackled. As Ulnooweg CEO Hoskin puts it, “In the world of business, stuff’s going to happen – bad stuff’s going to happen. It’s just a matter of what challenges are going to come across your path, and what’s important is how you react to it.”

“This program operates in a very complex, complicated environment,” Fram says. “Even when everything seems it’s now running smoothly, that lasts about a day, never more than a week.” He added: “There’s never an end to the challenges – bureaucracy, personality, and so on. John G is the single most important player.”

Paul, Fram, and others say the most important structural characteristic of this program was the arm’s-length institutional platform of APC, Ulnooweg. “Here’s a problem, here’s how to fix it, here’s who’s eligible, here’s the application,” Fram said. “Fill it out right, are you eligible, is it in on time? This one isn’t – everyone gets treated the same.” Paul agrees: “I don’t have the chief bothering me about what we’re doing to support the businesses in his community, because I just tell him we’ve got the business development team guys, they’re working with your community, so don’t tell me – I’m just making sure that it gets done...I don’t even care what’s in your plan, I just want to make sure you’ve got a plan...and that your guys are following (it) and...that you’re reporting against it.”

Fram, Paul, and Simms all say they get comments from communities like, “You can tell you really want us to be successful!” Fram adds, “We wanted to do something outside the box to stop the program failure cycle and do something that resulted in success for the communities.”

## The Business Development Plan (BDP)

The business development plan (BDP) that each community and their CFE must have is the basic document from which all funding proceeds, and against which all outcomes are measured. During the MRI period, many such plans were written entirely by outside consultants, and the band council signed off on them. According to Paul, Fram, and Simms, one of the hardest adjustments MMFNs had to make when AICFI started was preparing their

own BDP. The BDT advisers would assist and coach Band and CFE officials, but they wouldn't write the plan. There was a lot of initial grumbling, but not much now, they say. The program and its components are so clearly written and linked to each stage of growth (see Figure 2) that MMFNs understand their own plan development and that support is key to their success.

The newest post-Marshall program, the Atlantic Commercial Fisheries Diversification Initiative (ACFDI), discussed later below, is a direct outgrowth of the business planning required during the AICFI process.

## Benchmarking and Business Capacity Measurement

Measuring outcomes was a strong element of the AICFI program from its outset, say Paul, Fram, and Simms. "First, we started looking at other fisheries – whether snow crab, lobster, scallops, or whatever – and benchmarking against what was the return from different vessels and sectors," Paul says. "You're fishing in the same area here, man, you should be catching X pounds per day, like everyone else." Later, there also were comparisons among each other. "Once we had data against each other, that made it even more interesting, because by their nature the captain running the vessel is a very competitive person, and if he does better, he makes more, the crew makes more, the community makes more," Paul added. "Good performers within your fleet start pulling everybody else up by default."

When the program started, Paul added, "everyone told me you'll never get people to work on fishing boats... they're all dependent, have alcohol and all these problems, blah, blah... But I said 'Yes, I will,' because fishing was a great, time-limited activity. You work hard 12-15 weeks or whatever, and then you have lots of time to do all the other stuff you want to do, like hunting, going to Maine, and so on. It's a business cycle everyone understands, and they make half-decent money."

A long-term goal is to have 100 percent FN crews. Then the entire benefit accrues to the community, Paul argues, and it's an argument he says the communities understand and on which they can focus. The industry also would lead to other jobs in the support sector and possible future diversification.

The third step in upping the performance measurement system was the creation of a 'Business Capacity Achievement' schema to provide baseline and progress information to support program evaluation. It also serves to meet the requirements of DFO's integrated Results-Based Management and Accountability Framework (RMAF) and Risk-Based Audit Framework (RBAF). The measure involves a combination of responses to previously defined questions about business capacity, review of BDT members' records, and the Third-Party Evaluator's face-to-face interviews and audit materials.

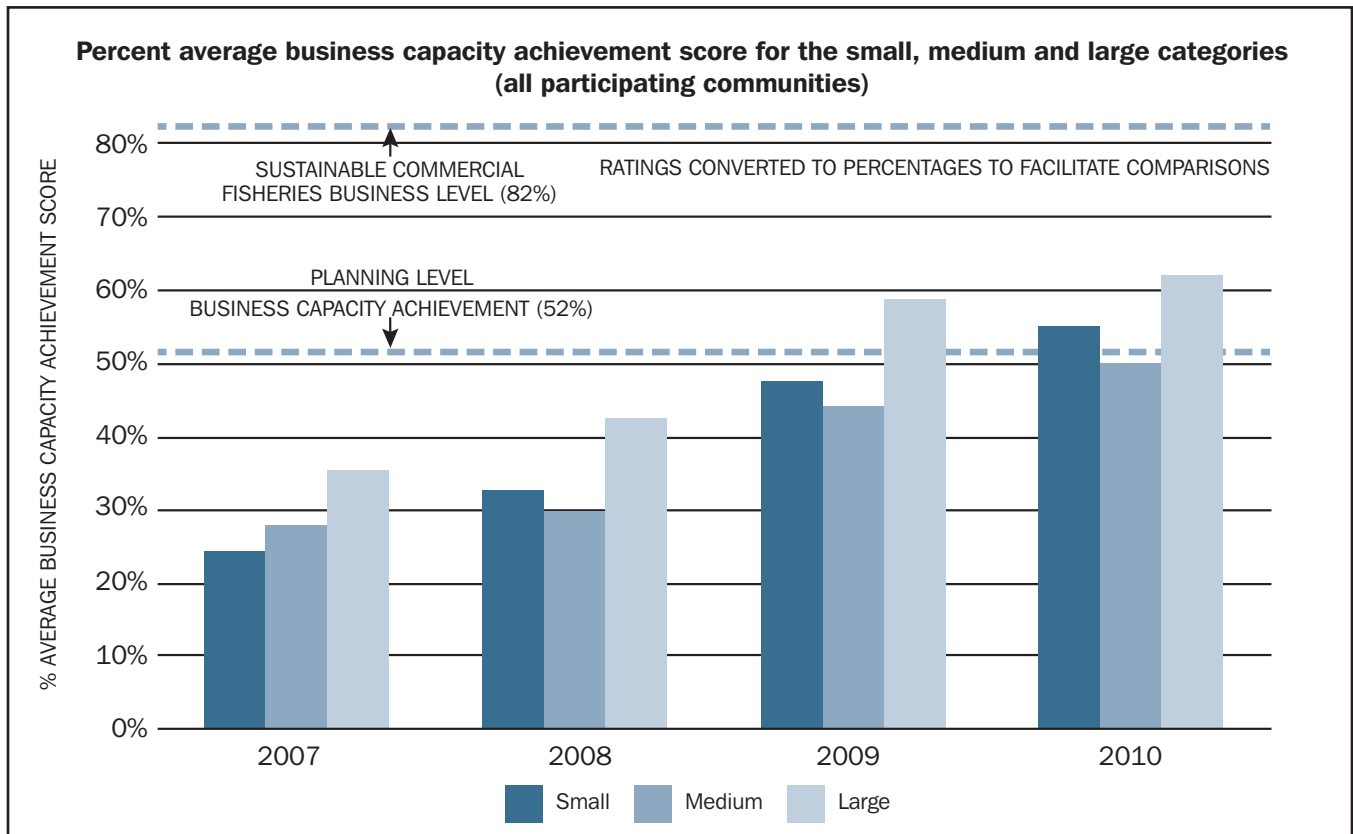
The initial baseline was developed in 2007, and successive annual data had been added to provide a four-year database. Different data elements, such as level of planning documentation, business plan implementation, FMS use, governance, and HR skills and experience, are weighted and analyzed to provide a score. The results have showed a "solid indication of gains in capacity across the board, especially for MMFNs with large landed values ( $\geq$ \$2 million in 2007)."<sup>31</sup>

A minimum passing level for business capacity achievement is earned by CFEs that score 52 percent of total possible scores (these are scored as Large, Medium, or Small FN community categories). This minimum passing level means the CFE "is able to perform under current circumstances and market conditions, provide employment and make some financial contributions to the community with limited room for reinvestment."<sup>32</sup>

The second band of achievement is that of sustainable commercial fisheries business level, achieved by CFEs that score 82 percent of total possible scores. These are defined as CFEs “well established and sufficiently advanced to be able to ride out temporary adversity and continue to operate even when business conditions adversely fluctuate.”<sup>33</sup>

Figure 5 shows the growth in level of achievement by MMFNs over the four-year initial period within the bands of achievement.

**Figure 5: Current status of AICFI program results**



Source: 2011. *Atlantic Integrated Commercial Fisheries Initiative (AICFI): Update on Progress.* (Ottawa: Fisheries and Oceans Canada), 22.

This model also allows scenario analysis forecasts with the application of mixed linear/logarithmic formulae.

Key factors impacting CFE growth in 2010-2011 have included a major reduction (63 percent) in snow crab quota because of steep decline in prices since 2004, mainly affecting New Brunswick CFEs, many of which were required to retrench and reduce capacity. There was also variability in product value, including other lower shellfish market prices (shrimp prices declined almost 50 percent from 1995-2006), along with sustained high cost of fuel and other supplies. Unfavourable international economic conditions and poor exchange rates (especially for the euro) also were detrimental to fish and shellfish exports.

While indicating very favourable growth in business capacity, BDT and evaluators have indicated there will still be a need to enhance breadth and depth of business skills and experience, even in “pass” communities. In part, this arises from general volatility in the sectoral business environment and, further, the need to build a succession pool of skills as other fishers retire or move into diversified aspects of the industry.

## AICFI's Success Has Been Measured

AICFI's experimental program structure and delivery components, developed and offered in a highly-charged post-Marshall (and post-MRI) political context, have been audited and evaluated many times, from many perspectives, and across a range of fish market fluctuations. There have been major summative annual reviews, an APC *Marshall After 10 Years* report (2009)<sup>34</sup>, a formative evaluation (2010)<sup>35</sup>, and a Management Control Framework evaluation (2011).<sup>36</sup> The consensus is that the program is robust and has been sufficiently flexible to accommodate a number of 'tweaks' over time, due to local differences. AICFI is also about to sunset at the end of the current fiscal year (March 31, 2012) unless the government decides to extend it.

Considering what has been accomplished, the modest price tag is remarkable. Table 3 shows total funding for the five-year term of \$55.1 million.

**Table 3: Total AICFI funding, 2007-2012**

TOTAL AICFI FUNDING, 2007-2008 TO 2011-2012						
	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	Total
AICFI	\$8.4M	\$10.15M	\$12.6M	\$12.6M	\$11.35M	\$55.1M

*Source: 2010. Evaluation of the AICFI, Project 6B118. 25.*

Table 4 shows how the dollars were spent by activity grouping in the first four years to March 31, 2011 – enhancements of governance structures, management practices, business development, and collaborative management capacity-building.

**Table 4: AICFI total expenditures, 2007-2008 to 2010-2011**

Activity Group	2007-08	2008-09	2009-10	2010-11	Total
1. MMFN CFE Governance Structure Enhancement	\$132,750	\$156,920	\$130,989	\$69,752	\$490,411
2. MMFN CFE Management Practice Enhancement	\$168,762	\$2,153,661	\$5,059,903	\$5,479,589	\$12,861,915
3. MMFN Business Development	\$0	\$0	\$5,826,913	\$6,271,294	\$12,098,207
4. MMFN Collaborative Management Capacity Building	\$41,400	\$451,157	\$711,832	\$793,684	\$1,998,073
5. AICFI O&M Expenditures	\$0	\$500,474	\$992,200	\$577,000	\$2,069,674
<b>AICFI Total Expenditures to Date</b>	<b>\$342,912</b>	<b>\$3,262,212</b>	<b>\$12,721,837</b>	<b>\$12,144,494</b>	<b>\$29,518,280</b>

*Note: AICFI has been implemented with a very low overhead cost. The total overhead costs to date as captured in the AICFI O&M Expenditures represents only 7 percent of total program expenditures.*

*Source: 2011. Atlantic Integrated Commercial Fisheries Initiative Draft Performance Story. Vol.5, 10.*

A number of AICFI successes were listed at the beginning of this document and were reaffirmed in a more comprehensive way in *Evaluation: Atlantic Integrated Commercial Fisheries Initiative (2010)*:<sup>37</sup>

- “One of the critical success factors of AICFI was related to the extensive consultation process conducted with the MMFNs during the early stage of the program design. AICFI incorporated results of the community consultations as well as lessons and recommendations that were developed by the summative evaluation of the MRI. As a result, DFO acknowledged the need for more First Nations organizations to be engaged in the direct delivery of AICFI services and DFO’s involvement was limited to overall management and oversight. All major AICFI services were provided by BDT, CFLC, and FMS which are run by First Nations ABs and APC.” (64)
- “According to key informants, AICFI is well-designed because it has a simple and clear structure and focus; it employs a progressive step-by-step approach allowing communities to grow from each step; it requires a lot of planning for the communities for better results...it has prepared a clear and simple set of tools, procedures and guides; and it is comprehensive and addresses all major aspects of commercial fisheries development such as training, capacity building, financial support etc.” (55-56)
- “Transparent rules that defined program criteria for participation, funding, eligibility, and reporting were communicated through clear guides and instructions and strictly followed by every participant. This approach has developed further trust of the objectives of the program, facilitated workload for the program staff members, minimized ‘politics’ in the business relations, and eliminated major misunderstandings and possible conflicts.” (64)
- “The program complements, rather than duplicates, other federal and provincial programs.” (66)
- “...AICFI is efficient and economical.” (61)

There were also a number of barriers identified that either slowed or prevented reaching all of the program’s objectives, according to the 2010 program evaluation:

- **Funding constraints:** CFEs wished more funding was available for access, infrastructure, and training. DFO representatives wished more funding was invested in BDT, capacity development, and other program activities.
- **Limited support from the BDT:** CFE representatives mentioned that they were not able to receive as much support from the BDT as they needed. DFO program representatives also mentioned that the BDT support and availability is limited due to a number of constraints. There are only five BDT members – three generalists and two specialists – currently on duty serving 26 MMFN communities. The communities are located in a widespread area across four provinces and some are in isolated areas.
- **Low awareness of AICFI among some MMFNs combined with historic tensions:** The lack of awareness of AICFI objectives, historic tensions, and mistrust make many MMFNs reluctant to join AICFI activities. Some communities think that the real objective of the program is to influence community decisions and affect MMFN treaty negotiations. In addition, some MMFNs have frequently changing leadership resulting in a disconnect and misunderstanding between the community leadership and the fisheries and a lack of community capacity to support fisheries. The representatives mentioned that despite all of these issues, AICFI has momentum among MMFNs and more communities are joining the program.
- **Regional involvement:** It was noted that AICFI was mainly managed and implemented from the DFO Headquarters and did not involve regional offices at an adequate level. Although the program structure and governance indicates that the regional offices are the main body in the delivery of the program, the regional offices have not been fully engaged in the process. This approach has certainly increased the accountability of the program and contributed to its success by making design simpler and more straightforward. However, it may also have constrained the success by missing an opportunity to invest in the capacity of the regional staff and facilitate better relations between regional DFO offices and MMFNs.<sup>38</sup>

The most commonly used descriptors for AICFI in the course of the 22 interviews for this report are shown in Figure 6, and reinforce the comments from evaluation reports.

**Figure 6: Commonly used descriptors for AICFI program outcomes**<sup>39</sup>



While the list of successes is strong, not all MMFNs entered the program at the same time. As well, some had greater challenges because their starting capacity was so low. A lot has been accomplished in the five years, but there's still more to do before the MMFN fishery is sustainable.

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## What Comes Next – ACFDI (and Hopefully, AICFI Redux)

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As MMFNs have gained expertise in fish harvesting, they have also seen opportunities to be seized in related industries such as aquaculture, buying/holding, ice making, marketing, processing, product development, retail and transportation – even fisheries-related tourism. This spawned the development of ACFDI, a program to assist with diversification that was started in 2010-2011 with financing from AANDC's Strategic Partnership Initiative (SPI) program. There was no need to invent a delivery model for ACFDI because the AICFI model has worked so well, and so it was applied to this new initiative. Ten MMFNs accessed \$2 million the first year for projects totaling \$2.8 million that were completed. The leveraged funding came through industry partnerships, Enterprise Cape Breton Corporation (ECBC), or ACOA funding, and a minimum investment of 10 percent of project cost by the applicant MMFN.

As noted earlier in this paper, another 10 submissions are currently underway and 14 projects are in the early planning stage for 2012-2013. Any additional projects beyond that horizon will depend upon program renewal by Ottawa, as the first round of ACFDI expires March 31, 2013 – just one year from now. Diversification in MMFN CFEs is critical for a number of reasons:

- It will help CFEs smooth business fluctuations and better assure sustainability.
- Although AICFI has helped create a large number of jobs, the unemployment rate in MMFN communities is still significantly higher than in non-FN communities in Atlantic Canada.
- The birth rate in MMFNs is also higher (growth in the 34 communities between 2000-2008 was 16 percent), and in many communities 50 percent or more of their population is under the age of 15,<sup>40</sup> representing a future employment and quality-of-life challenge in remote communities.
- An investment in employment and skills training through AICFI/ACFDI benefits the entire Atlantic fishery, as the average age of workers in the non-FN fishery is 58-60. MMFN young people will be needed to fill these jobs in their own fishery, but also in the non-FN fishery.
- MMFNs have a competitive advantage in their access to fisheries licences, but also to both reserve and traditional hunting areas, including river systems and wetlands that are not available to the non-FN fishery.
- Many of these MMFN communities have no other practical opportunities for sustainable employment in the non-government sector.
- As MMFNs begin to explore the market power they could aggregate through cooperative marketing, processing, or supply services, employment growth will be further advanced. Many of these jobs will also have the advantage of providing year-round (not just seasonal) employment. They will also increase financial returns from the licences and quotas already available.

## The Rationale for AICFI Renewal

The arguments for AICFI renewal by April 1, 2012 are also very compelling. The program outcomes have gained momentum over the past five years and cessation of the program would put business independence of CFEs at risk, and undermine the building culture of self-motivation and self-reliance in communities.

A reasonable goal would be to have at least 50 percent of MMFN CFEs fully sustainable, and that will take at least another five years, looking at current trends and forecasts. The same amount of time would be needed to bring 30 MMFNs – nearly all of the Marshall-decision communities – to above a passing level of capacity building. Reducing or eliminating AICFI capacity building support now would set back progress already achieved, especially by communities near the “passing” level or disadvantaged through geography or tradition. For some, this might well end commercial fisheries-based job creation and development, with serious implications for the overall industry. Meeting these goals will require further support infrastructure from the BDT and AICFI-TAC, and financial support to complete asset acquisition and maintenance while expertise and skills continue to be built.<sup>41</sup>

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# How Replicable Are the Policy and Program Lessons of AICFI?

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As mentioned earlier, each of the evaluations of AICFI has emphasized, through case study reviews and audits, that the program has been economical and efficient. The \$55.1 million allocated for it over the five years certainly compares very favourably on both measures with the approximately \$590-600 million spent during the two phases of the MRI period. To be fair, much of that initial MRI expenditure was allocated to boats, equipment, and licence buybacks in order to comply with the Supreme Court order.

What is different about the 12 years' post-Marshall policy and program experience is that there was a nearly 180 degree turn midway that truly captured the lessons learned in those first few chaotic years. In less time than it took to get the MMFNs "into the game" of fishery participation, the program initiated a staged, highly-skilled, tightly managed set of safety, marine, and management training interventions, an effectively working FMS, and a capacity building performance measure that brings private-sector management and economic rigor to a highly distributed regional economic development initiative that focused its efforts on what the clients (MMFNs) actually needed. It follows a basic policy and business principle – often honoured more in the breach than in the observance – that money only follows on from performance.

Does the program have any warts? Of course, but even evaluators, usually desperate for recommendations to match their fees, acknowledge they are minor and evolutionary, such as how to better communicate with the Chiefs and with non-participating communities, how to afford more BDT members as the communities find them so valuable, how to make a very un-bureaucratic and streamlined decision-making process even more so, and that old chestnut of evaluations: how to continuously improve information exchange among all the program team. All of these issues have been, or are being, addressed well within the current program frameworks.

Taxpayers, of course, will wonder how 'the system' can re-apply and leverage the principles and lessons learned from AICFI to improve program implementation in FNs and other Canadian communities and sectors.

A logical first place to explore such knowledge transfer is to other parts of the fisheries in Canada. AICFI has an counterpart on the country's west coast, the Pacific Integrated Commercial Fisheries Initiative (PICFI), although it extends to all Pacific fisheries management and not just aboriginal programming. It also began in 2007 as a five-year, \$175 million program that would focus on developing FN involvement in the fishery through encouraging the creation of clusters of FNs working together as a single organization in the fishery. This approach initially looked like a reasonable way to deal with a large number of FNs and achieve economies of scale within a very limited program budget. It hasn't worked well to-date for a variety of political, cultural, and managerial reasons. PICFI consultation efforts proved to be inadequate and to ignore much of the advice and guidance provided by the FNs. Licence and quota purchases led, rather than followed, CFE planning and training. Demonstration fisheries were not effectively co-managed to take into account traditional knowledge along with other data. The list of concerns in the 2011 PICFI evaluation was quite long, and questions were raised about what could be learned from the AICFI experience.<sup>42</sup>

While Pacific coast conditions are somewhat different, it is the core values of the AICFI policy and program experience that may be most useful to PICFI, and also to a wide variety of other programs such as FN and

non-FN transitions or transformations in regulated natural resource sectors (fishing, forestry, mining, wildlife management, et cetera); any economic development initiative that may have a significant community impact, FN or non-FN, and especially those in more remote or rural locations; co-managed sectoral research and innovation programs, and so forth.

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## Lessons from AICFI

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Based on the findings noted in this paper, there appear to be at least 12 core principles and values that have made AICFI successful and have potential for knowledge transfer. They include the following:

- 1) **Voluntary participation**, but not voluntary in the sense of signing up for something that's loaded with volumes of fine print. Transparency has to start at the beginning so participants know what is expected of them and by them. Program components should be known and decision processes clearly outlined and understood.
- 2) **Political firewalls** are needed between the contractor and the government, and between the contractor and the client. This helps to build programs that are based on performance and not on familial, fraternal, or political relationships. Decision processes must be clearly shown to rely on merit-based assessments of need, means, and performance. For FNs, this often means finding or creating new operational spaces that do not impinge on negotiations within the treaty space, where issues can become mired for very long periods of time.
- 3) **Continuous and systematic client consultation** is the sine qua non of program planning. Who benefits? What is it they really need? What has their own knowledge and experience taught them about the problem and its solutions? Programs miss valuable clues throughout their term if they are not receiving systematic feedback through more than happiness surveys. The consultation process needs to include a mix of face-to-face and at-a-distance means of receiving and processing information. This also allows the program to make changes during its term that can improve the chances of successful outcomes.
- 4) **Confidentiality** for individual or corporate proprietary information must be firmly applied and breaches punished in draconian ways. The client must have confidence that proprietary information provided to a business advisor will not fall into the hands of their competitors or politicians.
- 5) **Advisory services** should be provided by a highly-skilled core program team (occasionally supplemented by a contract specialist). Clients will not be inclined to trust an advisor who does not have 'street credibility' in the industry sector, and for good reason. A core program team of advisors allows for better program learning and codification of experience, as they will share successes and learn from their failures together when properly managed. Good advisors will need to be paid market-based compensation. Public policy file cabinets in this country are filled with evaluative evidence of the negative program impacts of hiring people who are not really qualified to do the job, and whose program clients do not trust or respect their expertise.
- 6) **Stages and linkages** in program design are important. Not all clients/participants will start at the same point, nor will they progress at the same rate of speed. "Measureable bites" that build to a next level of competency when successfully completed encourage clients to participate, and make it possible for the program to measure competency over time for increasingly complex skills.

- 7) **Information infrastructure** is critically important in every business and not-for-profit sector. A program that does not help its participants to use data analysis as a basic building block for decision-making undermines long-term sustainability and is ultimately a public policy failure.
- 8) **Simplicity and clarity** in all program communications is possible. Look online at the AICFI applications and background information for its participants/clients.<sup>43</sup> Their documents are easier to understand than the short-form CRA individual tax return. It's possible, it's just hard work.
- 9) **Flexibility** is important at the most basic and local level of any public policy and program. But that flexibility is best utilized when the community/client identifies a need for it that arises from a comprehensive project plan. In the AICFI case, the flexibility needed was not political flexibility (in the departmental or ministerial sense), but was identified and acted upon by codifying over time the operational differences among large, medium-sized, and smaller CFEs and communities. This allows flexibility to be applied for demonstrated cause, and to develop performance standards that measure the impact of the of the 'tweak' applied.
- 10) **Performance-based outcomes** are the only way to tell if the program investments have had a positive impact, or whether policy and program elements need to be changed or transformed. These outcomes need to be determined at two stages. At the beginning of the process, very basic measures should be determined that will hold up through a wide variety of program and environmental contexts. Midway through, additional elements may be added to outcomes measures, as there will be both positive and negative discoveries in the first few years of program delivery that bear tracking importance, as the AICFI case demonstrates.
- 11) **Tight management controls** are necessary for success. But this does not mean a top-down, top-heavy rules regime. Tight management in program delivery means there is a high level of information exchange among all program staff, and there are templates for aggregating that information up the organizational food chain. It also means there should be a management committee with breadth in functional management and program skills that meets regularly. Such a committee should have a skilled secretariat who is well-placed to watch information flows throughout the organization and who can aggregate information topically for the management committee agenda and assure relevant information is captured in minutes. The objective is for the management committee to quickly identify significant problems and deal with them through program changes or managerial action in a timely manner.
- 12) **Program length and renewals.** If the program is intended to make real change, it can not only fail but create greater harm if it is initiated for periods of only one to three years. Experience and research show<sup>44</sup> that real change takes longer than that, even within a single organization – and good performance measures will only begin to capture reliable policy data over a longer term. A five-year term is minimally required for impact, with the stated intention of renewing for a second five years if the performance-based measures are trending positively by the end of the first term. Public policy too often offers 'puny interventions' (short and cheap) that allegedly will have a positive impact. It is why Canada's collective public policy files also are filled with hundreds of reports on short pilot projects that did not fail in a way in which any new lessons could be learned and transferred, and were destined not to succeed because there was never any serious commitment toward continued renewal for the 10-15 years required to make substantive change. Such policy and program behaviours breed cynicism in the tax-paying electorate.

AICFI represents a distinctive and positive case in major policy change and, more particularly, in its program implementation, conception, and delivery. Its lessons have high potential applicability in FN issues at a range of social and economic levels. Its lessons also reach farther afield and offer promise for improved policy and practice in a large country with widely differing inter-and intra-provincial differences and characteristics.

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## About the Author

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Jacquelyn Thayer Scott, O.C., Ph.D., LL.D. (Hons.), Dipl. (Hons.) is Professor of Organizational Management & Strategy, and Past President of Cape Breton University (CBU), in Sydney, Nova Scotia. From 1993-2002, she was President & Vice-Chancellor of CBU (then known as University College of Cape Breton), an undergraduate and graduate postsecondary institution offering degrees, diplomas, and certificates in a range of liberal arts, scientific, and technical topics and competencies. From 1995-2006, she served on the Prime Minister's Advisory Council on Science and Technology (Canada), and was its Deputy Chair (Operating Head) from 2003-2006. Dr. Scott has also served as Director of the School of Continuing Studies at the University of Toronto and on the faculty at the University of Manitoba, operated her own public relations and management consulting firm, been employed as a journalist by The Canadian Press and The Columbian Newspapers, and is active in the management of two other family-owned small businesses.

Dr. Scott has served on a number of governing boards and advisory committees, and currently is:

- Chair, Board of Directors, Innovacorp, Province of Nova Scotia (province's innovation agency);
- Chair, Sage Voices Society (non-profit Canadian affiliate of The Global Elders);
- Chair and National Ambassador, Cape Breton Regional Hospital Foundation (non-profit, charitable);
- Immediate Past Chair, Celtic Colours International Festival Society (non-profit, charitable);
- Vice-Chair and Member, Board of Directors, MacDonald-Laurier Institute (non-profit, national public policy);
- Board Member, Canadian International De-mining Corps (non-profit, charitable);
- Board Member and Chair of Governance Committee, Dynagen Technologies, Inc. (corporate);
- Board Member, Yorkville University (corporate);
- Board Member, HIPPY Canada (non-profit, charitable);
- Member, Honourary Advisory Board, Eco-Vision Environmental Consulting Services (corporate);
- Member, Business Advisory Board, Caribbean Social Innovation Exchange (C-SIX) (non-profit); and
- Member, Canadian Council of Academy's federal Expert Panel on the State of Science and Technology in Canada.

Dr. Scott was the lead on two international projects on behalf of Cape Breton University's Community Economic Development Institute. Both were sponsored through the United Nations Development Program's Human Resources Development initiative and are situated in Guantánamo Province, Cuba, in the regional communities of El Salvador and San Antonio del Sur.

In 2007-08, Dr. Scott chaired the International Expert Panel Review of the Alberta Science & Research Authority. She is also a former Chair of the Board of the Canadian Network for the Advancement of Research,

Industry and Education (CANARIE), Ltd., the Canadian Alliance of Education and Training Organizations (CAETO), the Canadian Association for University Continuing Education, Atlantic University Sport, the Ontario Council for University Continuing Education, and the Council of Ontario Universities' Status of Women Committee. She has also served on the governing boards/committees of Sempra Atlantic Gas, Sydney Steel Corporation, CDI Education Corporation, Nexient Learning Inc., the Association of Universities and Colleges of Canada (AUCC), the Association of Atlantic Universities, the Canadian Centre for Management Development, the Corporate-Higher Education Forum, and the Cape Breton County Economic Development Authority. She was also a Governor of the Canadian Unity Council.

As well, Dr. Scott chaired the Government of Canada's Expert Panel on Skills (1998-2000), and has been a member of Government of Canada delegations to the Heads of State meeting of "Third Way" countries (Berlin, 2000), and to the Asia Pacific Economic Council High-Level Meeting on Human Skills Development (Beijing, 2001). She served on the Premier's Roundtable on the Economy (Nova Scotia), the Premier's Council on Innovation (Nova Scotia), served two seven-year terms on the Board of the Atlantic Institute for Market Studies (AIMS), and has co-chaired the PGI Golf Tournament for Literacy in Cape Breton. For 10 years, she served as Corporate Member (on behalf of Canada) of the Millennium Scholarship Foundation.

Dr. Scott has been awarded a number of professional honours in her field, including the Nova Scotia Gzowski Award for Literacy, the CAUCE Lifetime Honourary Membership Award, the first CAETO Honourary Membership Award, and is the author of numerous scholarly and popular articles and works on voluntary organization management and governance, and higher education and community economic development policy. Her contributions were recognized by the Government of Canada in awarding her a Canada 125th Medal, and by the University of Waterloo in bestowing on her the honorary degree of Doctor of Laws. In 1998, the Canadian Progress Club of Halifax-Dartmouth named her "Woman of Excellence" of the year, Corporate Management and the Professions. In 2001, she was awarded the Lieutenant-Governor's Medal for Excellence in Public Administration and was appointed an Officer of the Order of Canada. In 2002, she was awarded the Queen's Golden Jubilee Medal. In 2003, she was awarded an Honourary Diploma by Loyalist College, Belleville, Ontario. Early in her professional life, she was also the youngest person and the first woman to be awarded a National Newspaper Award for Editorial Writing (1970).

Born in Kansas, she is a Canadian citizen and has resided in this country for 44 years. She is the mother of three children – Jared, Angela (deceased), and Meghan – and grandmother of Brittany, Jessie, Christian, Gavin, Kaitlyn Jacquelyn, Joshua and Bryan; and great-grandmother of Drayden. Dr. Scott resides in Ben Eoin, on the southern shore of Cape Breton's Bras d'Or Lakes.

# Endnotes

- 1 R. v. Marshall, [1999] 3 S.C.R. 533.
- 2 As with any government story, this one is well larded with acronyms. If you get lost, a full list is available in appendix A.
- 3 R. v. Sparrow, [1990] 1 S.C.R. 1075.
- 4 Atlantic Provinces Congress of First Nations Chiefs. 2009. *Marshall 10 Years Later: Atlantic and Gaspé First Nations Participation in Fisheries*. Special report prepared by the Atlantic Provinces Congress of First Nations Chiefs, 24.
- 5 The 2009 figures still represent a small proportion of total Atlantic fishing licences. In the top five species fished by MMFNs, their licences represented 16 percent of shrimp, 8 percent of snow crab, 3 percent of lobster, 5 percent of Bluefin tuna, and 4 percent of scallop licences (19). Atlantic Provinces Congress of First Nations Chiefs. 2009. *Marshall 10 Years Later: Atlantic and Gaspé First Nations Participation in Fisheries*. Special report prepared by the Atlantic Provinces Congress of First Nations Chiefs, 17.
- 6 Atlantic Provinces Congress of First Nations Chiefs. 2009. *Marshall 10 Years Later: Atlantic and Gaspé First Nations Participation in Fisheries*. Special report prepared by the Atlantic Provinces Congress of First Nations Chiefs, 15.
- 7 Calculated using a multiplier effect of 1.15 developed by Atlantic Canada Opportunities Agency in its 2001 report, *Towards Greater Value: Enhancing Canada's Seafood Industry*. Atlantic Provinces Congress of First Nations Chiefs. 2009. *Marshall 10 Years Later: Atlantic and Gaspé First Nations Participation in Fisheries*. Special report prepared by the Atlantic Provinces Congress of First Nations Chiefs, 16.
- 8 Employment income data sourced from Statistics Canada Census files. A 2011 (August) report by the Centre for the Study of Living Standards (CSLS) in Ottawa, *Economic Activity of the Non-Reserve Aboriginal Identity Population in Canada: Gross Domestic Product Estimates for Indian Reserves, 2000 to 2005*, estimates that on-reserve First Nations incomes in New Brunswick increased by 8 percent compared to the total provincial population, and in Nova Scotia by 2 percent in that same period (38). Figures for PEI were not available, and Quebec figures were aggregated provincially, so Gaspé Region figures could not be itemized. Atlantic Provinces Congress of First Nations Chiefs. 2009. *Marshall 10 Years Later: Atlantic and Gaspé First Nations Participation in Fisheries*. Special report prepared by the Atlantic Provinces Congress of First Nations Chiefs, 22.
- 9 2011. *Atlantic Integrated Commercial Fisheries Initiative (AICFI): Update on Progress*. (Ottawa: Fisheries and Oceans Canada), 12.
- 10 2011. *Atlantic Integrated Commercial Fisheries Initiative (AICFI): Update on Progress*. (Ottawa: Fisheries and Oceans Canada), 15-16.
- 11 Factual information in this section is derived from: 2011. *Final Evaluation of the Marshall Response Initiative (MRI)*. (Ottawa: Fisheries and Oceans Canada).

- 12 The final DFO departmental audit of the MRI put it this way: “The Marshall Decision had not been anticipated and there is no evidence that DFO had put in place any contingency plan in the event that Mr. Donald Marshall was successful in his appeal of the lower courts’ decisions. Had there been any contingency plans in place, DFO may have been able to avoid some of the issues it faced in the days and weeks subsequent to the Decision.” The Marshall Decision was very broad, and there was sufficient ambiguity that the Court issued a clarification two months after the Decision that re-affirmed that the commercial access right was subject to regulation by the Minister and the court provided guidance on what might contribute to moderate livelihood. See <http://www.dfo-mpo.gc.ca/ae-ve/evaluations/07-08/6b053-eng.htm#n10>.
- 13 *Final Audit Report of the Longer-Term Marshall Response Initiative (Capacity-Building), June 18, 2009*. Available at <http://www.dfo-mpo.gc.ca/ae-ve/audits-verifications/09-10/6B016-eng.htm#ch1>.
- 14 It is important to note that for the Mi’kmaq, the post-Marshall CAs were always considered a temporary measure, “focused on providing some access to what government had called an already ‘fully subscribed fishery’,” as Chief Deborah Robinson, Co-Chair of the Governance Advisory Committee of the Kwilmu’kw Maw-klusuaqn Negotiation Office’s Mi’kmaq Rights Initiative, said at the 10th anniversary celebrations of the Court decision on September 17, 2009, in Halifax. “They were made ‘without prejudice’ to our treaty rights.”
- 15 The fully defined right of each MMFN awaits full clarification within the treaty negotiations still underway or upcoming, or from another court decision. However the Supreme Court decision made clear that there was a right.
- 16 *Summative Evaluation of the Marshall Response Initiative, Project 6B053, 2007*. Available at <http://www.dfo-mpo.gc.ca/ae-ve/evaluations/07-08/6b053-eng.htm>.
- 17 Kevin Fram. November 9, 2011. Interview by author, Cole Harbour, NS. All quotations from Fram were obtained in this interview.
- 18 John G. Paul. November 8, 2011. Interview by author, Cole Harbour, NS. All quotations from Paul were obtained in this interview.
- 19 See <http://hpaied.org/>.
- 20 2007. *Integrated Results-Based Management and Accountability Framework and Risk Based Audit Framework*. (Ottawa: Fisheries and Oceans Canada Audit and Evaluation Directorate), 5.
- 21 2008. *AICFI Management Control Framework*, Vol. 3. (Ottawa: Fisheries and Oceans Canada Aboriginal Policy and Governance [APG]. Fisheries and Aquaculture Management), 4.
- 22 2008. *AICFI Management Control Framework*, Vol. 3. (Ottawa: Fisheries and Oceans Canada Aboriginal Policy and Governance [APG]. Fisheries and Aquaculture Management), 4-5.
- 23 2010. *Evaluation: Atlantic Integrated Commercial Fisheries Initiative (Final Draft)*. (Ottawa: Fisheries and Oceans Canada Evaluation Directorate), 62.
- 24 Within the past year, participating C4 communities must fulfill some of the very specific requirements. Among others they include the following:
- Commitment to allow inspection of the work and invoices, at all stages of the project.

- Cooperate with AICFI representatives (marine engineers and fishing gear specialist) for monitoring inventory and progress and evidence of hiring technical assistance.
- Provide evidence regarding ownership, licensing, and registration status of vessels at anniversary dates in 2010/11 and 2011/12.
- Demonstration of specific FMS capabilities.
- Long-term commitments to rigorous verifiable maintenance activity.
- Evidence of hiring practices and level and amount of technical assistance hired versus proposed.
- Standard CA requirements including detailed financial information and confirmation of work underway/completed.
- Evidence of complementing finances, et cetera, prior to start-up of projects.
- Verification that any acquired access is properly reissued as a communal commercial licence.

2011. *Atlantic Integrated Commercial Fisheries Initiative (AICFI): Update on Progress*. (Ottawa: Fisheries and Oceans Canada), 18.

- 25 2011. *Atlantic Integrated Commercial Fisheries Initiative (AICFI): Update on Progress*. (Ottawa: Fisheries and Oceans Canada), 19.
- 26 David Simms. November 8, 2011. Interview by author, Cole Harbour, NS. All quotations from Simms were obtained in this interview.
- 27 Todd Hoskin. November 9, 2011. Interview by author, Cole Harbour, NS. All quotations from Hoskin were obtained in this interview.
- 28 Allan Tobey, video Skype with author, December 7, 2011. All quotations from Tobey were obtained in this interview.
- 29 New Brunswick Community College School of Fisheries, Nova Scotia Community College School of Fisheries, and Holland College Marine Centre.
- 30 Clarence Savoie, Skype with author, December 7, 2011. All quotations from Savoie were obtained in this interview.
- 31 2011. *Atlantic Integrated Commercial Fisheries Initiative (AICFI): Update on Progress*. (Ottawa: Fisheries and Oceans Canada), 20.
- 32 2011. *Atlantic Integrated Commercial Fisheries Initiative (AICFI): Update on Progress*. (Ottawa: Fisheries and Oceans Canada), 21.
- 33 2011. *Atlantic Integrated Commercial Fisheries Initiative (AICFI): Update on Progress*. (Ottawa: Fisheries and Oceans Canada), 21.
- 34 Atlantic Provinces Congress of First Nations Chiefs. 2009. *Marshall 10 Years Later: Atlantic and Gaspé First Nations Participation in Fisheries*. Special report prepared by the Atlantic Provinces Congress of First Nations Chiefs.
- 35 2010. *Evaluation: Atlantic Integrated Commercial Fisheries Initiative (Final Draft)*. (Ottawa: Fisheries and Oceans Canada Evaluation Directorate).

- 36 2011. *Atlantic Integrated Commercial Fisheries Initiative (AICFI): Update on Progress*. (Ottawa: Fisheries and Oceans Canada).
- 37 All quotations in this section are from: 2010. *Evaluation: Atlantic Integrated Commercial Fisheries Initiative (Final Draft)*. (Ottawa: Fisheries and Oceans Canada Evaluation Directorate).
- 38 2010. *Evaluation: Atlantic Integrated Commercial Fisheries Initiative (Final Draft)*. (Ottawa: Fisheries and Oceans Canada Evaluation Directorate), 54-55.
- 39 These are words and phrases used by the 21 interviewees for this report.
- 40 Calculated from AANDC population registry data.
- 41 Elements of this rationale appear, or are alluded to, in one or more of the evaluation documents referenced in this paper.
- 42 2010. *Evaluation of the Pacific Integrated Commercial Fisheries Initiative*. Project 6B119, Final Report. (Ottawa: Fisheries and Oceans Canada). Available at <http://www.dfo-mpo.gc.ca/ae-ve/evaluations/10-11/6b119-eng.htm>.
- 43 For an example, see <http://www.dfo-mpo.gc.ca/fm-gp/aboriginal-autochtones/aicfi-ipcica/spdpc-pamphlet-brochure-cfdos-eng.htm>.
- 44 Calculated from AANDC population registry data.

# Appendices

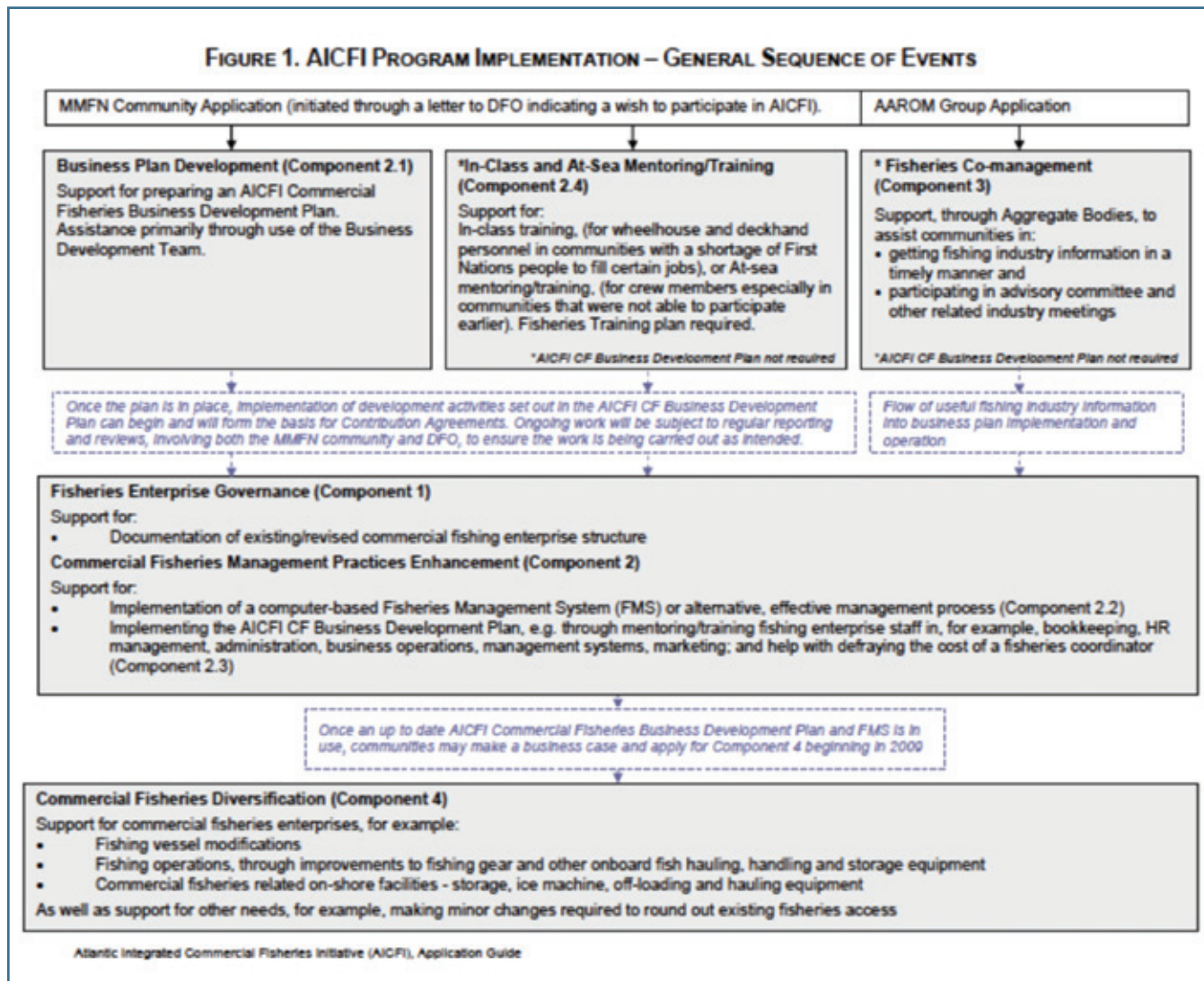
## Appendix A: AICFI Acronyms

**Figure A.1: AICFI acronyms and their meanings**

<b>Acronyms</b>	<b>Meaning</b>
AANDC	Aboriginal Affairs and Northern Development Canada, formerly INAC
AAROM	Aboriginal Aquatic Resource and Oceans Management
ACFDI	Atlantic Commercial Fishery Diversification Initiatives
ACOA	Atlantic Canada Opportunities Agency
ADM	Assistant Deputy Minister
AFO	Aboriginal Fisheries Officer
AFS	Aboriginal Fisheries Strategy
AICFI	Atlantic Integrated Commercial Fisheries Initiative
AICFI-TAC	AICFI Technical Advisory Committee (re fisheries matters)
APC	Atlantic Policy Congress (of First Nations Chiefs)
APG	Aboriginal Policy and Governance (DFO)
ASMI	At-Sea Mentoring Initiative (AICFI)
BCR	Band Council Resolution
BDP	Business Development Plan
BDT	Business Development Team
CA	Contribution Agreement
CFE	Commercial Fisheries Enterprise
CFLC	Commercial Fisheries Liaison Coordinator
DFO	Department of Fisheries and Oceans
DG	Director General
ECBC	Enterprise Cape Breton Corporation
FAM	Fisheries and Aquaculture Management
FAP	Fisheries Access Program
FMS	Fisheries Management System (AICFI/ACFDI)
FN	First Nation
FOMI	Fisheries Operations Management Initiative
KN	Knowledge Network (of the AICFI program)
MMFN	Mi'kmaq and Maliseet First Nations
MRI	Marshall Response Initiative
PICFI	Pacific Integrated Commercial Fisheries Initiative
RBAF	Risk-Based Audit Framework (DFO)
RMAF	Risk Management Accountability Framework (DFO)
SCC	Supreme Court of Canada
SMAPC	Senior Management Aboriginal Policy Committee (DFO)

## Appendix B: AICFI Program General Sequence of Events

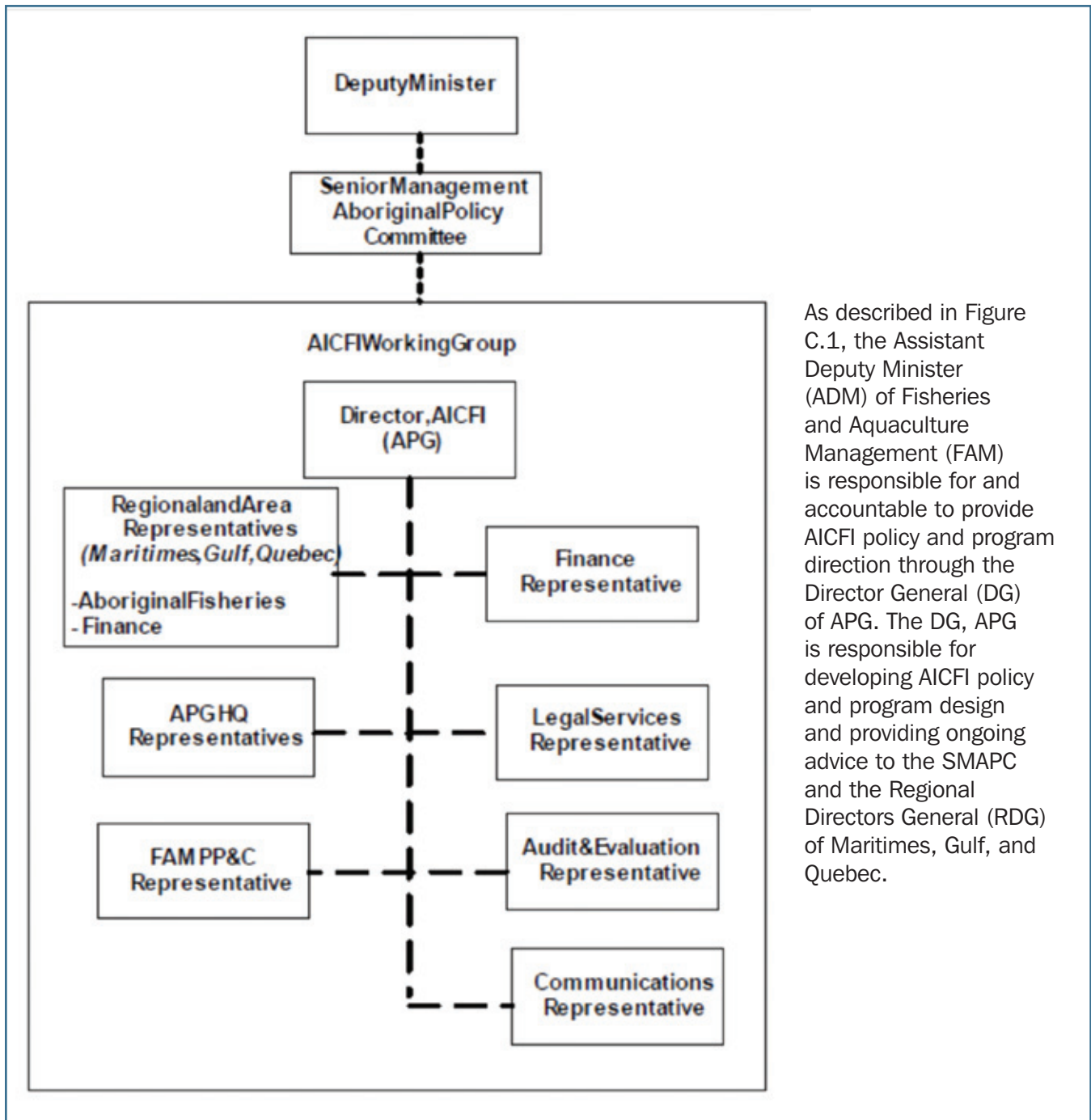
Figure B.1: AICFI program implementation – general sequence of events



Source: AICFI Application Guide. 2007. (Ottawa: Fisheries and Oceans Canada, Aboriginal Policy and Governance, Fisheries and Aquaculture Management), 9.

## Appendix C: DFO Senior Management Aboriginal Program Committee

Figure C.1: DFO senior management aboriginal program committee

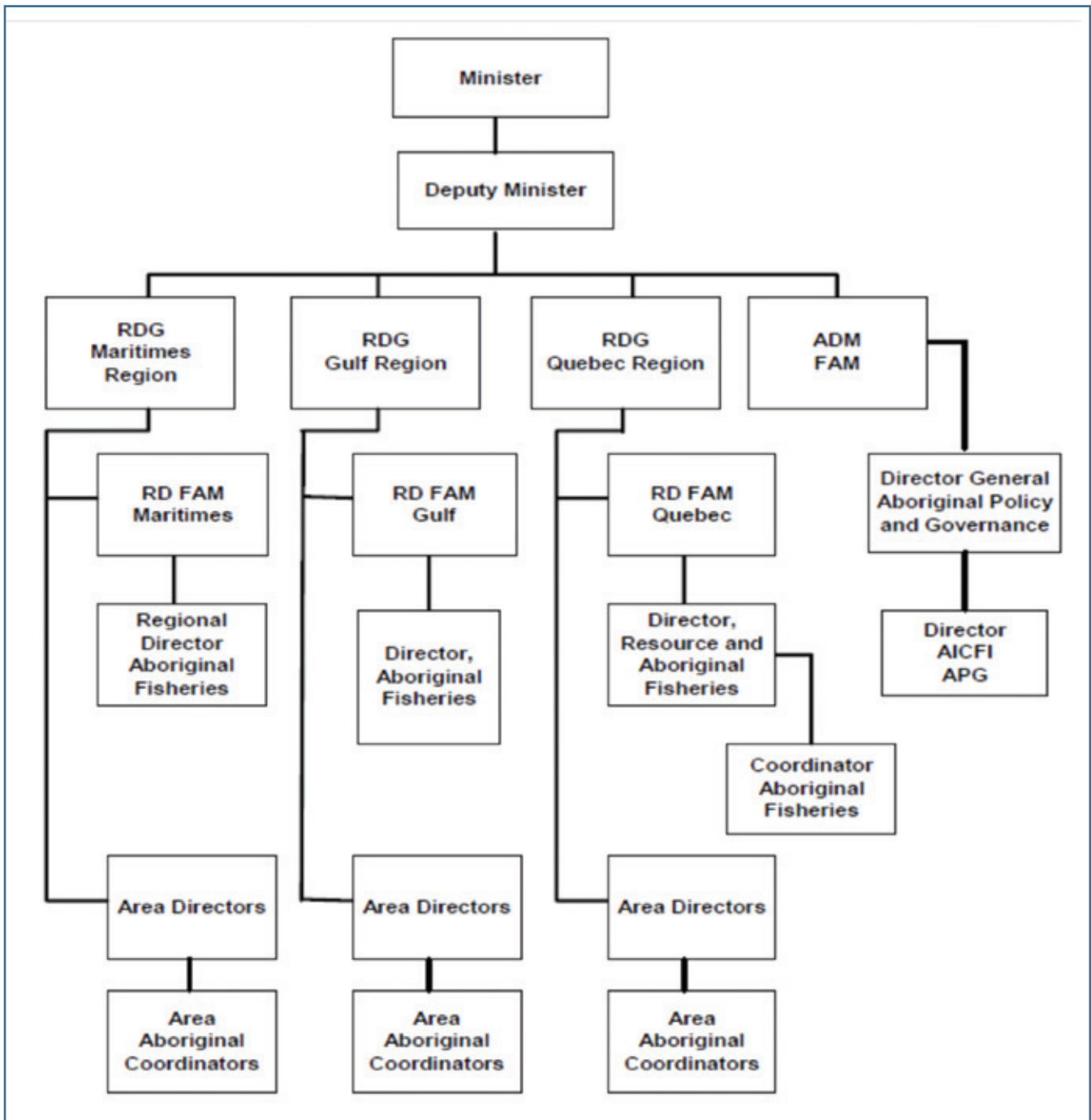


As described in Figure C.1, the Assistant Deputy Minister (ADM) of Fisheries and Aquaculture Management (FAM) is responsible for and accountable to provide AICFI policy and program direction through the Director General (DG) of APG. The DG, APG is responsible for developing AICFI policy and program design and providing ongoing advice to the SMAPC and the Regional Directors General (RDG) of Maritimes, Gulf, and Quebec.

Source: 2010. *AICFI Evaluation Final Report*. (Ottawa: Fisheries and Oceans Canada Evaluation Directorate), 19.

## Appendix D: DFO AICFI Working Group Structure

Figure D.1: DFO AICFI working group structure



Source: AICFI Evaluation Final Report. 2010. (Ottawa: Fisheries and Oceans Canada Evaluation Directorate), 19.

## Appendix E: Fisheries Management System (FMS) Sample Reports

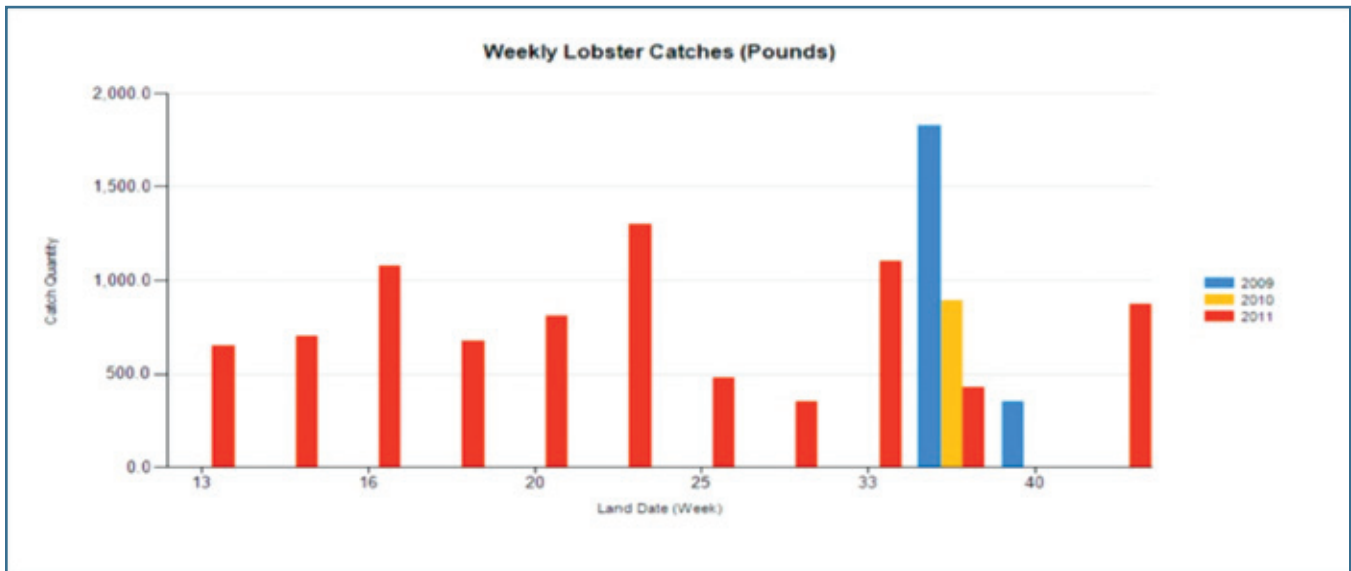
Four sample reports from the AICFI/ACDFI FMS system are shown below, for information. The charts are constructed with false data to protect AICFI client confidentiality.

**Figure E.1: Performance net**

<b>Vessel:Big Canoe</b>					
<b>Catches</b>	<b>Species</b>	<b>Form Size</b>	<b>Sold Quantity</b>	<b>Avg Sold Price</b>	<b>Sold Value</b>
	Atlantic Wolf Fish		11,212.8	\$1.30	\$14,587.50
	Cod	dressed	999.0	\$1.00	\$999.00
	Scallop		2,800.0	\$3.39	\$9,500.00
	Shrimp	small	12,000.0	\$1.25	\$15,000.00
<b>Total</b>			<b>27,011.80</b>	<b>\$1.48</b>	<b>\$40,086.50</b>
<b>Trip Costs</b>	<b>Cost Category</b>	<b>Quantity</b>	<b>Price/Unit</b>	<b>Cost</b>	<b>Cost/CatchUnit</b>
	bait	200.00	\$0.330	\$66.00	\$0.002
	food	300.00	\$7.333	\$2,200.00	\$0.081
	fuel	1458.00	\$1.072	\$1,563.03	\$0.058
	ice	100.00	\$0.100	\$10.00	\$0.000
	wages	425.00	\$1.000	\$425.00	\$0.016
<b>Total</b>				<b>\$4,264.03</b>	<b>\$0.158</b>
<b>Maintenance</b>	<b>Cost Category</b>			<b>Costs</b>	<b>Cost/Catch Unit</b>
	oil			\$500.00	\$0.019
	test			\$125.00	\$0.005
	vessel r & m			\$740.00	\$0.027
	wharfage fees			\$500.00	\$0.019
<b>Total</b>				<b>\$1,865.00</b>	<b>\$0.069</b>
<b>Vessel Net</b>					<b>\$33,957.47</b>

This report gives the results for each vessel listing the catch value and all of the trip costs as well as maintenance costs. This is considered ‘the meat’ of the system for information and management at the fishery coordinator level. It contains all relevant data right down to the contributions to overhead costs.

**Figure E.2: Weekly catches**



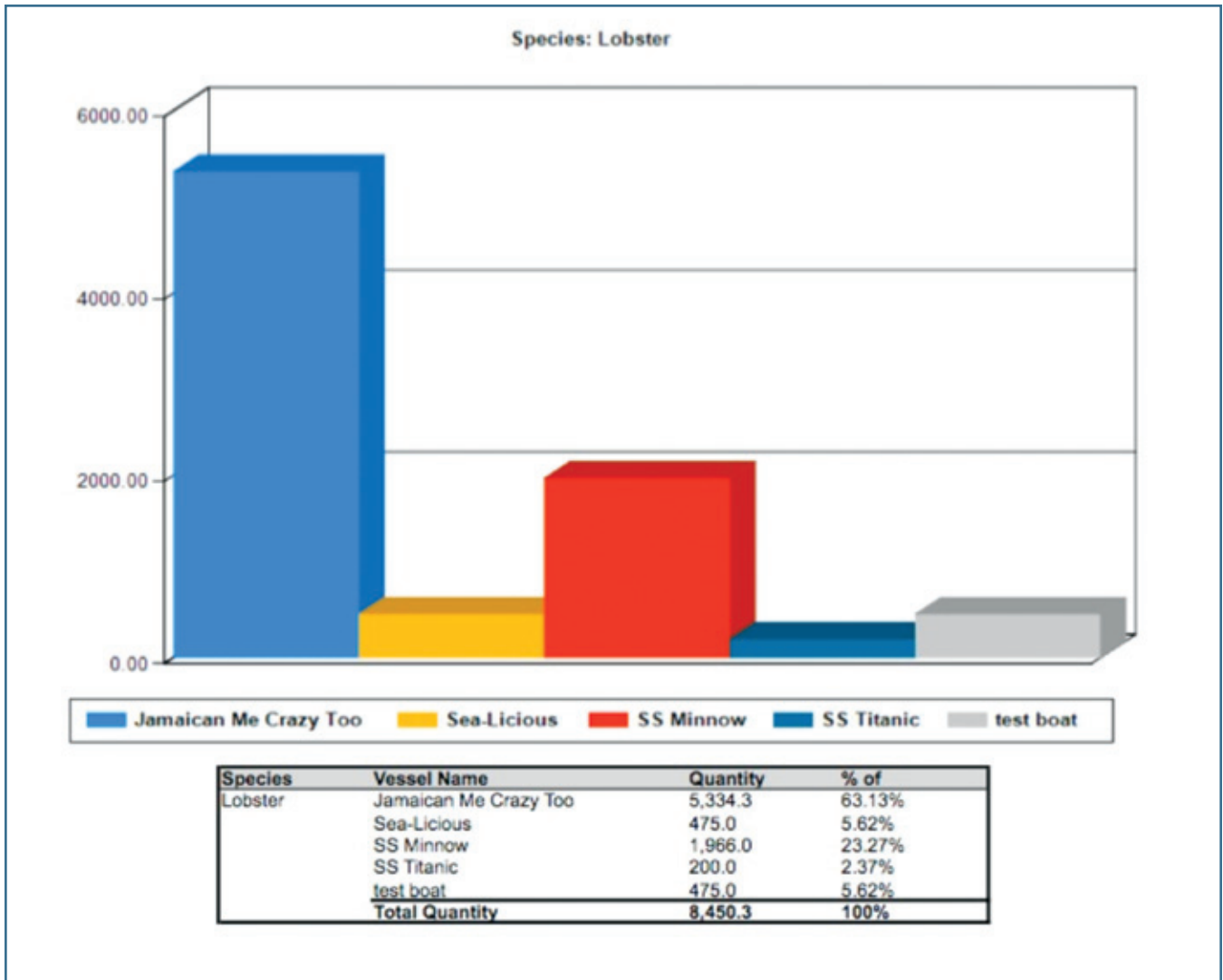
This report prepares a number of charts displaying the catch data, broken down by landed week. It can compare multiple years to help identify trends in the landing patterns. The report generates two graphs, one for landings by weight and one for landed value. The report also provides a chart with the numerical data that goes into making up the charts.

**Figure E.3 Quota details**

License: 66545							
Season: 2011 (5/1/2011-8/3/2011)							
Species	Original Quota	Transferred Quota	Total Quota Amount	Fishing Area	Sum Landed Quantity	% Taken	Quota Remaining
Scallop	1.173	0.000	1.173	SFA 4	0.454	38.67%	
				<b>Total:</b>	<b>0.454</b>	<b>38.67%</b>	<b>0.719</b>
	1.525	0.000	1.525	SFA 29W	0.000	0.00%	
				<b>Total:</b>	<b>0.000</b>	<b>0.00%</b>	<b>1.525</b>
	2.930	0.000	2.930	SFA 1	0.907	30.96%	
				SFA 3	0.000	0.00%	
				SFA 5	0.000	0.00%	
				SFA 6	0.000	0.00%	
				<b>Total:</b>	<b>0.907</b>	<b>30.96%</b>	<b>2.023</b>

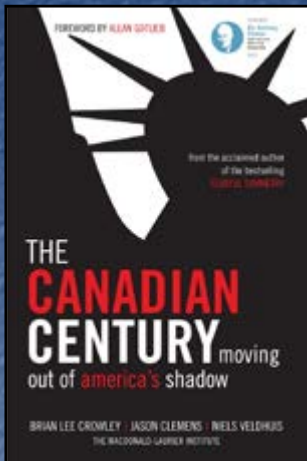
This report is designed to help a CFE coordinator know where they stand in relation to quota caught and amount remaining in the water.

**Figure E.4: Catch summary**



This report generates a graph for each species, showing the landings for that species by vessel in pounds and on another page, in \$ value. It is useful for determining how the vessels are stacking up against each other during the fishing season.

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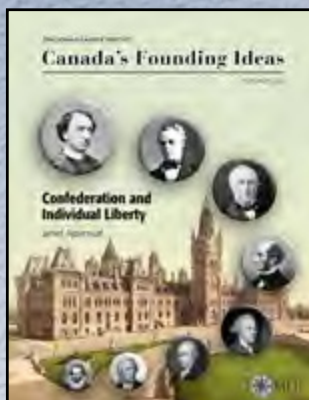
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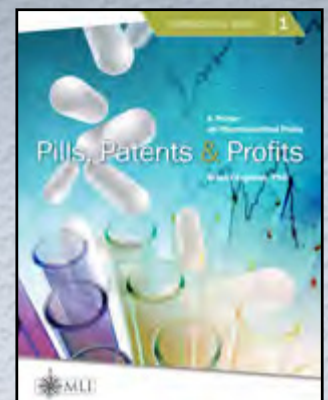
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