

**ALLOCATION POLICY OF THE
NUNAVUT WILDLIFE MANAGEMENT
BOARD FOR COMMERCIAL MARINE FISHERIES
[DRAFT 10, MAY 23rd 2007]**

1. INTRODUCTION

The deep waters of the North Atlantic adjacent to Nunavut contain at least two species in sufficient abundance to support viable commercial fisheries: Greenland halibut (turbot) and shrimp. Unfortunately, during the first two decades of their development, both fisheries have been largely controlled by southern interests. As a consequence, the vast majority of the employment and wealth generated by these fisheries has been exported to the southern Atlantic fishing industry.

In contrast to the situation in every other commercial marine fishery in Canada, Nunavut has never had majority access to the marine resources in its adjacent waters. While the territory's access to its adjacent resources has improved dramatically in recent years, Nunavut's share of those resources is less than 49% in 2007 - compared to the standard elsewhere in the country of 80 to 90% or higher.

With respect to the allocations that it does receive, Nunavut's involvement has traditionally been confined almost exclusively to entering into royalty charters each year with southern interests. Those interests inevitably fish the quota with their vessels and their crews and, at the end of the season, sail away with the majority of the profits.

Important changes have recently commenced – changes that finally signal true fisheries development for the territory. Beginning in 2001, Nunavut has been provided the entire Canadian allocation of turbot in Baffin Bay and the northern Davis Strait (officially known as management area “*Division 0A*”). In the six years since 2001, that allocation has almost doubled - from 3,500 tonnes of turbot to 6,500 tonnes. In 2002, the Minister of Fisheries and Oceans formally agreed that “*no additional access should be granted to non-Nunavut interests in waters adjacent to the territory until Nunavut has achieved access to a major share of its adjacent fishery resources.*” That same year, the Minister released his Department's *New Access Framework*, which recognizes the following three principles as paramount in all new or additional access decisions: *Conservation*,

Recognition of Aboriginal and Treaty Rights and Equity. In 2003, the Government of Nunavut (GN) and Nunavut Tunngavik Inc. (NTI) completed the *Nunavut Economic Development Strategy*, which identified the fishery as a key growth area in the territory's future economy. In 2005, they followed up with the release of the *Nunavut Fisheries Strategy*, which provides clear direction for the long-term development of the territory's fishing industry. In 2006, the GN made public an *Organizational and Performance Review of Nunavut's Offshore Fishing Industry* - an independent report intended to assist in fisheries policy and program development, strategic planning and investment decisions.

Nunavut stands at the threshold of a new age in the development and management of its commercial marine fisheries – an age where the cycle of royalty charters will finally be broken, where Nunavummiut will own and operate the fishing vessels in their adjacent waters, where investment in infrastructure, training, knowledge and organizational development will permit Nunavut to achieve major economic and employment gains through its fisheries.

The Nunavut Wildlife Management Board (NWMB or Board) is therefore taking this opportunity to review and revise its Allocation Policy for Commercial Marine Fisheries, so as to ensure its compliance with the new *Nunavut Fisheries Strategy*. In the coming years, as experience and circumstances require, the NWMB expects to make further improvements to its Allocation Policy.

2. ROLE OF THE NWMB IN NUNAVUT'S FISHERIES

Inside the Nunavut Settlement Area

Under the terms of the *Nunavut Land Claims Agreement (NLCA)*, the NWMB is “*the main instrument of wildlife management in the Nunavut Settlement Area [NSA] and the main regulator of access to wildlife... (NLCA S.5.2.33)*” With respect to commercial marine fisheries, the Board exercises an extensive decision-making jurisdiction in the marine waters of the NSA – those waters directly adjacent to Nunavut and extending to the 12-mile limit of Canada's Territorial Sea boundary (NLCA Article 3). That decision-making jurisdiction is shared with the Minister of Fisheries and Oceans, is subject to the terms and conditions of the NLCA, and includes the authority:

- To establish, modify or remove levels of total allowable harvest (TAH) or harvesting (NLCA S.5.6.16);
- To determine the allocation of the commercial portion of any TAH (NLCA S.5.6.31); and
- To establish, modify or remove non-quota limitations – such as limitations on gear type and season of harvest (NLCA S.5.6.48).

Outside the Nunavut Settlement Area

To the east of the NSA is Zone I: those adjacent marine areas of Baffin Bay and Davis Strait seaward of the Territorial Sea boundary, subject to Canada's jurisdiction and not part of another land claim settlement area. To the south is Zone II: those waters of James Bay, Hudson Bay and Hudson Strait not part of the NSA or another land claim settlement area (NLCA S.1.1.1). With respect to commercial marine fisheries, the Board exercises an extensive advisory jurisdiction in Zones I and II. That advisory jurisdiction is subject to the terms and conditions of the NLCA and includes the authority:

- To provide relevant information to Government that would assist in wildlife management beyond the marine areas of the NSA (NLCA s.15.3.4);
- To provide requested advice with respect to any wildlife management decisions by Government which would affect the substance and value of Inuit harvesting rights and opportunities within the marine areas of the NSA (NLCA s.15.3.4); and
- To advise and make recommendations regarding the marine areas of the NSA, which Government must consider in making decisions that affect those marine areas (NLCA s.15.4.1).

In addition, once the Minister of Fisheries and Oceans has determined the territory's regional allocations of marine resources, the NWMB recommends individual commercial sub-allocations to Nunavut's fishers. This arrangement is in keeping with the Department's policy that decisions which relate to the management of specific fisheries will normally be made as close to those fisheries as possible.

3. PURPOSES OF THE NWMB'S ALLOCATION POLICY

The primary purposes of this Allocation Policy are to set out and explain:

- The principles and guidelines to be considered by the NWMB in fairly determining individual commercial allocations of Nunavut's adjacent marine fisheries resources;
- The mandatory requirements for responsible stewardship applying to all participants in Nunavut's commercial marine fisheries;
- The role of the Fisheries Advisory Committee in Nunavut's commercial marine fisheries;
- The NWMB's plan for inshore fisheries development;
- The NWMB's recommendation for the establishment by industry of an *Exploratory Fisheries Fund*; and

- The mandatory requirement for transparency and disclosure in the management and development of Nunavut's adjacent marine fisheries resources, subject to relevant confidentiality and privacy concerns.

The Policy does not apply to any non-commercial harvests or to the commercial harvest of freshwater or anadromous fish, such as arctic char.

4. OBJECTIVE OF THE NWMB'S ALLOCATION POLICY

All of the NWMB's fisheries management decisions, advice and recommendations are informed by the objectives underlying NLCA Article 5 (NLCA S.5.1.3). In addition, the Board's Allocation Policy for Nunavut's Commercial Marine Fisheries seeks to achieve the following objective:

To facilitate a co-operative, professional and diversified approach to ecosystem-based fisheries development, maintaining compliance with the principles of conservation, relying upon re-investment in the fishery by Nunavut fishers, and ensuring the wide distribution of tangible benefits to Nunavummiut.

In accordance with the *Nunavut Fisheries Strategy* and the above-stated objective, the NWMB seeks to encourage through its Allocation Policy:

- The conservation of marine resources and the protection of marine habitat through sustainable development and adherence to the precautionary principle;
- A balance over time between community-based inshore operations and co-operative offshore enterprises – all of which are owned and professionally operated by Nunavummiut;
- Substantial re-investment of revenues received from one of Nunavut's most valuable common property resources; and
- The creation of wealth, employment, training and educational opportunities for Nunavummiut.

5. ROLE OF THE FISHERIES ADVISORY COMMITTEE

The NWMB's expertise is primarily with respect to wildlife and fisheries management. Allocation decisions in Nunavut's growing marine fisheries involve considerably more than management concerns. Those decisions must necessarily take into account fundamental socio-economic, governance, business, employment and development issues

- including access by communities and others competing for limited fisheries resources and benefits.

The GN and NTI – the authors of the 2003 *Nunavut Economic Development Strategy* and the 2005 *Nunavut Fisheries Strategy* – have the necessary experience, knowledge and authority to advise the Board with respect to such matters. The NWMB has therefore struck a Fisheries Advisory Committee (FAC), composed of members selected by the GN and NTI, to provide allocation and other related advice to the NWMB with respect to Nunavut’s adjacent commercial marine fisheries resources. The FAC’s advice will be:

- Prepared and delivered in accordance with its Terms of Reference, a copy of which is attached to this Allocation Policy as Appendix A;
- Based primarily upon the NWMB’s Allocation Policy, as well as a review and analysis of Governance, Business, Benefits and Stewardship Plans provided by applicants, and of Annual Reports submitted by those fishing enterprises that receive allocations from the Board; and
- Subject to the transparency and disclosure requirements set out in Part 13 of this Allocation Policy.

6. DETERMINATION BY THE NWMB OF COMMERCIAL ALLOCATIONS WITHIN THE NUNAVUT SETTLEMENT AREA

Within the NSA, and where a TAH has been established by the Board, the NWMB is required by the terms of the NLCA to establish a basic needs level for Inuit. The allocation and enforcement of basic needs levels fall under the authority of Hunters and Trappers Organizations (HTOs) and Regional Wildlife Organizations (RWOs) (NLCA S.5.7.3(b) and S.5.7.6(b)).

In circumstances where the basic needs level is less than the TAH, the Board is required by the terms of the NLCA to determine commercial allocations from the surplus, in the following order and priority:

- To provide for the continuation of existing and lawfully authorized commercial operations (NLCA S.5.6.38);
- From any portion remaining, to provide for viable commercial ventures sponsored by HTOs and RWOs (NLCA S.5.6.39); and
- From any further portion remaining, to provide for other commercial operations, considering the various demands on the resource and the benefits that may accrue to the local economy (NLCA S.5.6.40).

In making its determinations with respect to commercial allocations, the NWMB must also give preference to those applicants who have resided in the NSA for at least 18 continuous months prior to their application, and to those who will likely provide direct benefits to the NSA economy - in particular through the employment of local human and economic resources (NLCA S. 5.6.45).

7. PRINCIPLES GUIDING THE NWMB'S ALLOCATION POLICY FOR NUNAVUT'S COMMERCIAL MARINE FISHERIES

Complementing the governing principles of NLCA Article 5 (NLCA Sections 5.1.2 and 5.1.5) and the instructions set out in the NLCA for commercial allocations within the NSA (NLCA Sections 5.6.31, 5.6.38 to 5.6.40, and 5.6.45 to 5.6.47) are the following principles which guide the NWMB in its allocation of commercial marine fisheries resources – both inside and outside the NSA:

1. Healthy marine populations and habitat are essential to sustain the economic, social and cultural harvesting needs of Nunavummiut, for both present and future generations (See NLCA Section 5.1.5(c));
2. The fishery is a valuable and vital common property resource to be managed in an open, transparent and accountable manner for the equitable benefit of all Nunavummiut;
3. There is a need for the fishery to be diversified, striking a healthy balance between inshore and offshore operations, and between community entitlements and entrepreneurial initiative;
4. In allocating commercial marine fisheries resources, preference needs to be given to Nunavummiut and to operations providing direct benefits to Nunavut's economy (See NLCA Section 5.6.45);
5. In order to achieve a prosperous Nunavut-controlled fishery, there is a need for people to work together in harmony (See the Inuit Qaujimagatuqangit principle of Piliqatigiingniq);
6. A prosperous Nunavut-controlled fishery requires substantial involvement of viable commercial ventures sponsored or owned by RWOs and HTOs (See NLCA Sections 5.1.3(a)(iii) and 5.6.39);
7. There is a need to give special consideration to adjacency in the allocation of commercial marine fisheries resources, particularly within the NSA (See NLCA Section 15.3.7);

8. In allocating commercial marine fisheries resources, there is a need to give special consideration to the economic dependence of communities on those resources (See NLCA Section 15.3.7); and
9. In allocating commercial marine fisheries resources, there is a need to give special consideration to economically viable fishing enterprises and to fishers that have a successful history in a particular fishery.

8. MANDATORY REQUIREMENTS FOR RESPONSIBLE STEWARDSHIP

The conservation of Nunavut's fisheries resources and habitat is the NWMB's chief fisheries management priority. That priority is reflected in the principles of conservation (NLCA Section 5.1.5) that guide Nunavut's wildlife management system, and in the first principle outlined in Part 7 above. As a consequence, the NWMB has established the following five mandatory requirements for responsible stewardship, applying to all participants in Nunavut's commercial marine fisheries:

- 1. Compliance with relevant law and policy:**
 - (a) Department of Fisheries and Oceans (DFO) Legislation/Policy: Each participant must comply with all of the relevant legislative and policy requirements of DFO, including applicable Groundfish Management Plans, Northern Shrimp Management Plans and Conservation Harvesting Plans;
 - (b) Transport Canada Legislation/Policy: Each participant must comply with all of Transport Canada's relevant environmental stewardship requirements for fishing vessels;
 - (c) Northwest Atlantic Fisheries Organization (NAFO): Each participant must comply with applicable NAFO Conservation and Enforcement Measures as revised annually by the Fisheries Commission; and
 - (d) *Species at Risk Act* (SARA): Each participant must comply with applicable measures for marine species at risk, as required by SARA.
- 2. Compliance with relevant research and reporting initiatives:**
 - (a) Each participant must cooperate with and participate in relevant research initiatives organized/sponsored by the NWMB or DFO;
 - (b) Each participant must compile records and provide reports of fishing operations, as required by the NWMB or DFO; and
 - (c) Each participant must provide relevant Inuit Qaujimagatuqangit, as requested by the NWMB or DFO, to assist in and advance fisheries research.
- 3. Compliance with responsible habitat and ecosystem protection requirements:**

- (a) Each participant must assist relevant government agencies in the identification of sensitive habitat areas, with particular emphasis on coral;
- (b) Each participant must avoid fishing in locations identified as sensitive habitat areas; and
- (c) Each participant must cease fishing in, and move away from, locations where fishing gear indicates the presence of coral.

4. Compliance with responsible vessel and training requirements:

- (a) Each participant must practice sound waste management in all aspects of harvesting operations, with particular emphasis on the acceptable disposal of domestic garbage;
- (b) Each participant must minimize emissions of dangerous substances arising from vessel/harvesting operations, in particular with respect to fuel and lubricating oils; and
- (c) Each participant must provide appropriate training for all crew members with respect to responsible and sustainable fish harvesting.

5. Compliance with responsible fishing practices and gear use:

- (a) Each participant must employ fishing practices that minimize the risk of gear loss, and must have in place a functional plan for the recovery of lost gill nets; and
- (b) Each participant must use fishing gear that minimizes the harvest of undesirable species as by-catch and the harvest of juvenile fish.

All applicants for allocations in Nunavut's commercial marine fisheries are required to submit, as a component of their application, a *Stewardship Plan* (see Appendix B attached to this Allocation Policy). The primary focus of that plan is to detail measures to be taken by the applicant to comply with the NWMB's mandatory requirements for responsible stewardship.

For further information on the NWMB's requirements for responsible stewardship, see the *NWMB Policy on Responsible Stewardship in Nunavut's Commercial Marine Fisheries*, available upon request from the NWMB.

9. ALLOCATION GUIDELINES FOR NUNAVUT'S COMMERCIAL MARINE FISHERIES

In accordance with the principles outlined in Part 7 above and the relevant provisions of the NLCA, the NWMB will apply the three guidelines set out below in deciding upon individual commercial marine fisheries allocations. The guidelines are organized as a cumulative point system, with a maximum possible score of 100 points. Every applicant will be required to achieve a minimum of 18 points (60 %) in each of Guidelines 1 and 3 in order to remain eligible to receive any allocation. In addition, within Guideline 1,

every applicant will be required to demonstrate open, transparent and accountable operations, subject to relevant confidentiality and privacy concerns.

All applicants for allocations are required to submit a Governance, Business, Benefits and Stewardship Plan with their applications. The NWMB will primarily rely upon the four-part Plan - as well as Annual Reports from those who received allocations in the previous year - in applying the allocation guidelines.

Templates outlining the information requirements for the Governance, Business, Benefits and Stewardship Plan and for the Annual Report are attached to this Allocation Policy as Appendix B and Appendix C, respectively.

- 1. Governance and Business Capacity (up to 30 points).**
 - (a) Open, transparent and accountable operations;**
 - (b) Viable commercial venture; and**
 - (c) Positive history in the fishery.**

This guideline is in accordance with any or all of principles 1, 2, 3, 4, 5, 6, 8 and 9.

Points are awarded under subsection (a) to fishing enterprises that are able to demonstrate proper governance procedures - including openness, transparency and accountability in their operations.

Fishing enterprises that can demonstrate viability – including suitable business planning, capacity to fish, responsible stewardship, relative economic return, value added to the fishery, stability of employment, and economic benefits to Nunavut - are recognized through subsection (b).

A proven record in the fishery is appropriately acknowledged through subsection (c).

- 2. Inuit Involvement (up to 40 points).**
 - (a) RWO or HTO ownership/sponsorship of the economic enterprise;**
 - (b) Inuit ownership of the economic enterprise;**
 - (c) Adjacency of the community to the fishing area; and**
 - (d) Economic dependence of the community on the resource.**

This guideline is in accordance with principles 3 to 9.

More points are awarded under subsection (a) for ownership than sponsorship, with 100% ownership by an RWO or multiple HTOs receiving the highest scores.

Under subsection (b), the most points are awarded to fishing enterprises, owned/sponsored by RWOs or HTOs, whose communities are most adjacent to a particular fishing area.

Under subsection (c), the most points are awarded to fishing enterprises, owned/sponsored by RWOs or HTOs, whose communities demonstrate the greatest dependence on the resource.

- 3. Benefits to Nunavummiut (up to 30 points).**
- (a) **Employment of Nunavummiut, especially Inuit;**
 - (b) **Ownership of the economic enterprise and/or the vessel(s) by one or more residents of Nunavut; and**
 - (c) **Participation in the *Exploratory Fisheries Fund*, and the provision of other direct benefits to Nunavut.**

This guideline is in accordance with principles 1 to 9.

With respect to subsection (a), points are awarded for the number of people employed (including land-based employees), the level of position(s) filled (management and technical level positions receiving more points than entry-level positions), and a demonstrated record of retaining Nunavut employees, especially Inuit.

Nunavut ownership of an enterprise and/or vessel is recognized under subsection (b), with more points awarded for multiple Nunavut owners.

With respect to subsection (c), see Part 12 of this Allocation Policy regarding the *Exploratory Fisheries Fund*. Examples of other direct benefits are economic benefits to dependent communities, market development and investment in training, research, inshore processing and infrastructure.

Conclusion

In June of 2002, the NWMB introduced a policy that individual allocations would be renewable for up to three years, subject to annual proof of satisfactory effort and the provision of a comprehensive report at the close of the fishery each year. With the introduction of its revised Allocation Policy for the 2008 fishing season, the Board is temporarily withdrawing its renewable policy until all participating fishers have had sufficient opportunity to become familiar with the revised Allocation Policy and the requirement for comprehensive Governance, Business and Benefits Plans and Annual Reports. The NWMB anticipates the re-introduction of a renewable policy – potentially covering a minimum five year period - for the 2010 harvesting season.

At the same time, the Board wishes to assure the fishing industry that it appreciates the importance of stability and certainty with respect to allocations over the next two years. Accordingly, the NWMB will not make significant allocation changes during those years without persuasive and reliable evidence that a particular fishing enterprise has failed to meet, or has not properly met, the commitments set out in its Governance, Business and Benefits Plan.

Experience has demonstrated that demand always exceeds supply in Nunavut's commercial marine fisheries. The above guidelines provide the NWMB with an objective means to rank potential participants, and to ensure – to the extent possible - that Nunavut's marine resources are developed and managed in an open, transparent and accountable manner for the equitable benefit of all Nunavummiut.

10. INSHORE FISHERIES DEVELOPMENT

Fisheries development within the NSA

Fisheries development inside the NSA is an area of high interest for relevant Nunavut communities, the GN, NTI and the NWMB. To encourage that development, the Board has decided to establish within the NSA an initial annual Qikiqtaaluk regional TAH for turbot of 100 tonnes, to be subtracted from the overall Division 0A allocation of 6,500 tonnes. (In 2005, the Board also established a Pangnirtung community 500 tonne TAH for an isolated inshore turbot stock, separate from and additional to the existing Division 0B allocation to Nunavut of 1,500 tonnes.)

In conjunction with the above-noted decision, the NWMB encourages the Qikiqtaaluk Wildlife Board - with assistance from the Nunavut Inuit Wildlife Secretariat - to commence discussions with the Region's communities regarding the potential identification and establishment of Exclusive Community Economic Fishing Zones within the NSA. Such a Zone would consist of an area adjacent to a community where that community would have exclusive access to its share of any community or regional TAH established by the NWMB.

Small boat fisheries development

Small boat community-based fisheries development is another area of high interest for relevant Nunavut communities, the GN, NTI and the NWMB. Accordingly, the Board has decided to designate an initial annual allocation of 400 tonnes of turbot in Division 0A exclusively for vessels under 100 feet in length. That allocation is to be subtracted from the overall Division 0A allocation of 6,500 tonnes. Individual allocations from the 400 tonnes will be decided by the Board in accordance with this Allocation Policy.

Conclusion

The NWMB will conduct periodic reviews – approximately once every three years, and with appropriate assistance from the FAC – of the annual Qikiqtaaluk regional TAH for turbot, and of the annual small boat allocation of turbot in Division 0A. The reviews are primarily intended to evaluate performance in those fisheries, and may result in increases or decreases in TAH/allocation levels.

Finally, the NWMB recognizes that the successful development of a modern commercial inshore fishing industry in Nunavut can not be achieved without major investments by Government in infrastructure. The primary infrastructure requirements for Nunavut include port facilities, marine service centers and additional or expanded processing

capacity. The NWMB therefore encourages the Governments of Canada and Nunavut to develop and implement, on an urgent basis, a Fisheries Infrastructure Plan for Nunavut.

11. EMERGING MARINE FISHERIES

Emerging marine fisheries are new fisheries that will require time to develop. To the extent that they are applicable, the NWMB will apply the principles and guidelines set out above in deciding upon individual allocations to emerging marine fisheries.

12. EXPLORATORY FISHERIES FUND

Commencing in 2008, the NWMB is recommending an *Exploratory Fisheries Fund* (EFF or Fund) to help finance fisheries research in Nunavut. This proposed fund would be financed through a levy collected from participants in the commercial marine fisheries in Nunavut's adjacent waters that are subject to this Policy.

Purpose of the Fund

The Nunavut *Exploratory Fisheries Fund* is an industry-generated fisheries research and development fund that will be used to support research into inshore, offshore, and emerging marine fisheries development. The purpose of the Fund is to support fisheries development through species assessment, gear technology, assessment of fishing-related ecosystem interactions, and other research aimed at support for an expanded and sustainable arctic fishery. The Fund will be used to leverage additional research dollars from federal, territorial and other sources.

Administration of the Fund

As an industry fund, the EFF will be directed by an Industry Working Group (IWG), and administered by a Fund Administrator appointed by the IWG. Technical support to the IWG may be provided by non-voting representatives derived from DFO, the GN, the NWMB and other agencies, as desired.

A "rolling" three-year research strategy, with annually established research objectives, will be developed to direct the resources of the EFF—and other sources of fisheries research funding—into areas of agreed-upon priority. The IWG is to be established by the fall of 2007 to provide direction in the administration of the Fund, including direction with respect to the development and/or selection of projects to be funded.

Annual revenue required for the Fund

An annual research program of \$1.0 million to \$1.25 million is envisioned. Cash and in-kind resources from the GN, the Department of Indian Affairs and Northern Development (DIAND), DFO, the Canadian Centre for Fisheries Innovation (CCFI) and other sources are expected to contribute toward the research goals of the IWG. It is

anticipated that these sources will provide \$750,000 or more per year towards targeted fisheries research and development.

To meet the IWG's research program needs, therefore, the EFF will need to provide an amount in the range of \$300,000. This target will be reviewed by the IWG in consultation with the Fund Administrator after the first year.

Participation in the Fund

To achieve the required level of funding, all holders of Nunavut TAH/quota should contribute to the EFF. Different levels of contribution are envisioned, based on the way in which TAH/quota is used. For the purposes of determining contribution obligations, three categories of TAH/quota-use are recognized. These are described below.

To generate the required level of funds, contributions will be determined by the IWG in consultation with the Fund Administrator. Different contribution rates are envisioned based on the following categories of TAH/quota utilization:

Category I:

Royalty Collected By TAH/Quota-Holder

The first category applies to TAH/quota where the TAH/quota-holder negotiates payments from third-party fishing enterprises in exchange for their ability to fish the TAH/quota.

TAH/quota holders who use their TAH/quota to earn this kind of "royalty payment" would pay into the EFF an amount equal to 8% of the number of tonnes of TAH/quota involved in the arrangement multiplied by the average royalty paid per tonne by all enterprises fishing under similar arrangements within the same fishing zone.

Category II:

TAH/Quota Fished By TAH/Quota-Holder

The second category includes TAH/quota where the TAH/quota-holder fishes the TAH/quota themselves, from an ice platform, or using their own vessels, or under charter arrangements.

TAH/quota-holders who fish from an ice platform will be requested to pay a nominal amount of \$10 per landed tonne to support on-going fisheries development through the EFF.

It is envisioned that the TAH/quota-holder will be requested to contribute to the EFF an amount equal to 4% of the number of tonnes actually caught by the TAH/quota-holding fishing enterprise, multiplied by the average royalty paid per tonne in that fishery by vessel owners fishing under Category I arrangements.

In the case where a Nunavut vessel-owner negotiates access to some other fishery in exchange for providing Nunavut TAH/quota to a third-party enterprise, then the Nunavut

vessel-owner will be requested to contribute to the EFF an amount equal to 6% of the number of tonnes actually caught by the third-party enterprise, multiplied by the average royalty paid per tonne in that fishery by vessel owners fishing under Category I arrangements.

Category III:

TAH/Quota Provided To Support Processing Plants (or other development projects)

This category of TAH/quota applies to TAH/quota that is either directly allocated to offset operational costs of enterprises deemed to be of significant developmental value to Nunavut's fishery, or which is made available by other TAH/quota-holders for such a purpose.

In this situation, the intent is to recognize the special role that TAH/quota can play in supporting fisheries development. Therefore TAH/quota used in this way will be subject to a nominal EFF payment of \$1.00 per tonne.

Developmental Rebate

For all enterprises paying into the EFF, a *Developmental Rebate* may be available. The FAC will review the Business, Benefits and Stewardship Plans and Annual Reports of allocation holders and where these demonstrate substantial performance and commitment by the allocation holder in the fields of research covered by the *Exploratory Fisheries Fund*, the Committee will recommend to the Fund Administrator that these allocation holders be provided with a specific *Developmental Rebate*.

Timing of annual payments to the Fund

The EFF levy will be paid by January 15th of the year following the fishing activity.

13. TRANSPARENCY AND DISCLOSURE

Fish resources in Nunavut are common property. Recommendations, decisions and other actions associated with the management and development of such public resources need to be made in a way that is open and transparent to the public of Nunavut. That directive clearly applies to the NWMB, the FAC, the GN and DFO. However, it applies equally to the fishing enterprises that are entrusted – through their allocations – with playing a key role in the development of the territory's fisheries and in the creation of benefits for Nunavummiut.

Accordingly, the NWMB intends to conduct its commercial marine fisheries allocation process in a manner that is open to the public. Subject to relevant confidentiality and privacy concerns, the Board will make publicly available:

- The FAC's allocation advice and reasons delivered to the Board;

- The NWMB's resulting allocation advice, recommendations, decisions and reasons delivered to the Minister of Fisheries and Oceans;
- The Governance, Business, Benefits and Stewardship Plans of successful applicants for commercial marine fisheries allocations; and
- The Annual Reports by fishing enterprises concerning their commercial marine fishing activities.

The NWMB is keenly aware of the importance of maintaining confidentiality with respect to certain aspects of any competitive business. At the same time, the NWMB and the public require at least the same degree of transparency in the fisheries industry as in other competitive resource sectors. Accordingly, the NWMB's business confidentiality policy with respect to commercial marine fisheries is as follows:

NWMB Business Confidentiality Policy

Applicants can request for good cause that records provided to the NWMB be classified as confidential. Decisions on these requests will be referred by the NWMB to the FAC for its recommendation.

If, at the time of submission, an applicant wishes to protect a record being submitted, the applicant must mark the record as "confidential" and show good cause to classify the record as confidential. Showing good cause to classify a record as confidential includes demonstrating that:

1. Disclosure of the record to the public might competitively or financially disadvantage or otherwise harm the applicant with the confidentiality interest, or might reveal a trade secret or proprietary business interest; and
2. The need for confidentiality plausibly outweighs the public interest in disclosure.

The following conditions apply with the respect to a determination that information, otherwise in the public interest, should not be disclosed:

1. The information was supplied implicitly or explicitly in confidence;
2. It is commercial information that deals with financial, scientific, technical, or labour relations matters, or is a trade secret; and
3. Its disclosure could reasonably be expected to cause significant harm.

If the FAC determines that good cause exists and that the conditions for non-disclosure have been met, it must make a written recommendation to classify the record as "confidential" and restrict access to it. A record classified as confidential will not be

made public or furnished to any person other than the FAC and the NWMB, subject to any other legal requirements or obligations.

For further information on the NWMB's approach to transparency and disclosure, see the *NWMB Study of Transparency vs Confidentiality in Nunavut's Commercial Marine Fisheries*, available upon request from the NWMB.

14. APPLICATION PROCEDURE AND DEADLINES

In order to request an allocation in a fishery, an applicant must complete an "*Application Form for Commercial Marine Fisheries Allocation*", available from the NWMB in Inuktitut and English, and submit a Governance, Business, Benefits and Stewardship Plan. Applicants must ensure that they provide all the required information in order to be fairly evaluated according to the Allocation Policy established by the NWMB. Applicants for an emerging marine fishery must include within their Plan a description of how they intend to contribute to the development of the emerging fishery.

In most cases, the NWMB will issue a call for applications for established fisheries by June of the preceding year. The call for applications will, at a minimum, be sent to the relevant RWO, all current Nunavut fishing interests and all HTOs adjacent to the fisheries, and will be published in the *Nunatsiaq News*. Completed applications and Plans must be delivered to the NWMB's Iqaluit office by no later than six weeks after the Board issues the call for applications. The NWMB will normally make its allocation decisions and recommendations by no later than November of the preceding year. If the Minister of Fisheries and Oceans has not yet announced regional allocations by that time, each individual allocation decision/recommendation will be expressed in the form of a percentage of the relevant regional allocation. The NWMB will officially notify all applicants of its decisions/recommendations by fax and regular letter mail.

Occasionally, time considerations may prevent the NWMB from issuing a comprehensive call for applications – for instance, when an allocation under the jurisdiction of the Minister of Fisheries and Oceans is only made available towards the end of the season. In such circumstances, the NWMB will take whatever measures it considers reasonable to ensure that it is able to make timely and equitable allocation decisions/recommendations compliant with its Allocation Policy.