

# **NUNAVUT WILDLIFE MANAGEMENT BOARD ALLOCATION POLICY FOR COMMERCIAL MARINE FISHERIES**

## **1. INTRODUCTION**

The *Nunavut Wildlife Management Board Allocation Policy for Commercial Marine Fisheries* (Allocation Policy) - first developed in 2007 - has succeeded in establishing a fair, open and transparent process to determine access and allocations for Nunavut-based commercial fishers in the marine waters adjacent to Nunavut. In addition, the Allocation Policy ties continued access and allocations to the development and achievement of performance goals and targets. As a result, Nunavut occupies a leading edge position in terms of contemporary Canadian fisheries policy.

The considerable success achieved by the Allocation Policy is directly attributable to the ongoing commitment by both managers and industry to 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.”*

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

## **2. ROLE OF THE NWMB IN NUNAVUT’S COMMERCIAL MARINE FISHERIES**

In 1993, the *Nunavut Land Claims Agreement* (NLCA) was signed into law as one of the most comprehensive land claim agreements in Canadian history. The NLCA clarifies the rights to ownership and use of lands and resources both within and outside the Nunavut Settlement Area (NSA), and the rights of Inuit to participate in decision-making concerning the use, management and conservation of land, water and resources, including the offshore. In addition, the NLCA provides Inuit with rights to harvest wildlife and to participate in decision-making concerning

wildlife harvesting - and has also established an institution of public government known as the Nunavut Wildlife Management Board (NWMB).

## **2.1 NWMB Role inside the Nunavut Settlement Area**

Section 5.2.33 of the NLCA clearly lays out the role of the NWMB inside the NSA:

*“Recognizing that Government retains ultimate responsibility for wildlife management, the NWMB shall be the main instrument of wildlife management in the Nunavut Settlement Area and the main regulator of access to wildlife and have the primary responsibility in relation thereto in the manner described in the Agreement...”*

With respect to commercial marine fisheries, the NWMB 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:

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

## **2.2 NWMB Role 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 NWMB 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:

- (a) The obligation to provide relevant information to Government that would assist in wildlife management beyond the marine areas of the NSA (NLCA S.15.3.4);
- (b) The authority 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);
- (c) The authority to provide advice and recommendations to Government with respect to Government’s responsibilities (i) to recognize the importance of the principles of adjacency and economic dependence of communities in the NSA on marine resources, and (ii) to give special consideration to those factors when allocating commercial fishing licences within Zones I and II (NLCA S.15.3.7); and

- (d) The authority 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).

Following consultations with the NWMB and others, the Minister of Fisheries and Oceans determines the territory's regional allocations of offshore fisheries resources. The NWMB then recommends individual commercial allocations to Nunavut's fishers. This arrangement is in keeping with the Department of Fisheries and Oceans (DFO) *Policy Framework for the Management of Fisheries on Canada's Atlantic Coast* - that decisions which relate to the management of specific fisheries will normally be made as close to those fisheries as possible.

### **3. 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 Government of Nunavut (GN) and Nunavut Tunngavik Inc. (NTI) - authors of the *Nunavut Economic Development Strategy* (2003) and the *Nunavut Fisheries Strategy* (2005) - have the necessary experience, knowledge and authority concerning such matters. The NWMB has therefore struck a Fisheries Advisory Committee (FAC), composed of five members - two appointed by the GN, two by NTI, and one by the NWMB, to provide **independent** allocation and related advice to the NWMB with respect to Nunavut's adjacent commercial marine fisheries resources. The FAC's advice must be:

- (a) Prepared and delivered in accordance with its Terms of Reference, a copy of which is attached to and forms a part of the Allocation Policy as Appendix A;
- (b) Based primarily upon the Allocation Policy, as well as a review and analysis of *Governance, Business, Benefits and Stewardship Plans* provided by applicants, *Annual Reports* submitted by those fishing enterprises that already have allocations, and *annual Verification Reports* provided by DFO and Transport Canada; and
- (c) Subject to the transparency and disclosure requirements set out in Part 11 of the Allocation Policy.

An integral component of FAC duties is the review and consideration of confidential information, including information contained within *Governance, Business, Benefits and Stewardship Plans, Annual Reports, Verification Reports*, and related documents. Each FAC member is under a legal duty to maintain such materials and information as strictly confidential, both during his or her term as a Committee member and after that term has ended.

#### **4. PRINCIPLES GUIDING THE NWMB'S ALLOCATION POLICY FOR NUNAVUT'S COMMERCIAL MARINE FISHERIES**

Complementing the governing principles of NLCA Article 5 (NLCA S.5.1.2 and 5.1.5) and the instructions set out in the NLCA for commercial allocations within the NSA (NLCA S.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. The protection of healthy marine populations and habitat through sustainable development, responsible stewardship and adherence to the precautionary principle are essential to sustain the economic, social and cultural harvesting needs of Nunavummiut, for both present and future generations (NLCA S.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 order to achieve a prosperous Nunavut-controlled fishery, there is a need for people to work together in harmony (see the Inuit Qaujimajatuqangit principle of Piliriqatigiingniq);
5. In allocating commercial marine fisheries resources, preference needs to be given to Nunavummiut and to operations providing direct benefits to Nunavut's economy (NLCA S.5.6.45);
6. There is a need to give special consideration to adjacency in the allocation of commercial marine fisheries resources, particularly within the NSA (NLCA S.15.3.7);
7. In allocating commercial marine fisheries resources, there is a need to give special consideration to the economic dependence of communities on those resources (NLCA S.15.3.7);
8. A prosperous Nunavut-controlled fishery requires substantial involvement of viable commercial ventures sponsored or owned by Regional Wildlife Organizations (RWOs) and Hunters and Trappers Organizations (HTOs) (NLCA S.5.1.3(a)(iii) and 5.6.39);
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; and
10. A prosperous Nunavut fishery that contributes to the creation of wealth, employment, training and educational opportunities for Nunavummiut requires substantial re-investment of revenues received from one of Nunavut's most valuable common property resources.

## **5. DETERMINATION BY THE NWMB OF COMMERCIAL ALLOCATIONS WITHIN THE NUNAVUT SETTLEMENT AREA**

### **5.1 Where a TAH has not been established by the NWMB**

Within the NSA, where a TAH for a stock or population has not yet been established by the NWMB, an Inuk shall have the right to harvest that stock or population up to the full level of his or her economic, social, and cultural needs, subject to the terms of NLCA Article 5 (NLCA S.5.6.1). Among those terms of Article 5 are the following:

- (a) The NWMB shall, in its discretion, approve plans for the management and protection of particular wildlife or wildlife habitat in the NSA (NLCA S.5.2.34(c) and (d));
- (b) Any restriction or quota on the amount of wildlife that may be harvested that is in force immediately prior to the date of ratification of the Agreement shall be deemed to have been established by the NWMB, and shall remain in effect until removed or otherwise modified by the Board in accordance with NLCA Article 5 (NLCA S.5.6.4);
- (c) Subject to the terms of Article 5, the NWMB shall have sole authority to establish, modify or remove, from time to time and as circumstances require, levels of harvesting and non-quota limitations on harvesting in the NSA (NLCA S.5.6.16 and 5.6.48); and
- (d) Non-quota limitations on harvesting in force at the date of ratification of the Agreement shall be deemed to have been established by the NWMB, and shall remain in effect until removed or otherwise modified by the Board in accordance with NLCA Article 5 (NLCA S.5.6.51).

### **5.2 Where a TAH has been established by the NWMB**

Within the NSA, where a TAH has been established by the Board, the NWMB is required by the terms of the NLCA to also establish a basic needs level (BNL) for Inuit<sup>1</sup>. The allocation and enforcement of the BNL fall under the authority of HTOs and RWOs (NLCA S.5.7.3(b) and 5.7.6(b)).

In circumstances where the BNL is less than the TAH, the Board is required by the terms of the NLCA to determine commercial allocations from the surplus - following the provision of allocations for personal consumption by other residents of Nunavut (NLCA S.5.6.31(a)) - in the following order and priority (NLCA S.5.6.31(b) to 5.6.31(d)):

- (a) To provide for the continuation of existing and lawfully authorized commercial operations (NLCA S.5.6.38);

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<sup>1</sup> The only exception to this legal rule is *Presumption as to Needs* wildlife, identified in NLCA S.5.6.5: wildlife for which Inuit are always presumed to need the entire TAH. With respect to fisheries, bowhead whales are the only species affected.

- (b) From any portion remaining, to provide for viable commercial ventures sponsored by HTOs and RWOs (NLCA S 5.6.39); and
- (c) 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).

## **6. 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 that guide Nunavut's wildlife management system (NLCA S 5.1.5). As a consequence, the NWMB has established the following *Mandatory Requirements for Responsible Stewardship* as a prerequisite to further consideration of Nunavut allocations for all applicants applying to participate in Nunavut's commercial marine fisheries, and for all fishing enterprises wishing to continue their participation in those fisheries.

To the extent that the requirements are legally enforceable, they will be monitored by DFO or Transport Canada. In verifying compliance with the requirements, the NWMB will primarily rely upon annual *Verification Reports* prepared by DFO and Transport Canada (see section 14.3 of the Allocation Policy), relevant publicly available fishery convictions of Nunavut allocation holders, as well as applicants' *Governance, Business, Benefits and Stewardship Plans* (see Appendix B, attached to the Allocation Policy) and allocation holders' *Annual Reports* (see Appendix C, attached to the Allocation Policy). The primary focus of the stewardship component of an applicant's Plan is to detail measures to be taken by that applicant to comply with the NWMB's mandatory requirements for responsible stewardship. An essential element of the *Annual Report* is the delivery of an account of the results of the measures taken by the allocation holder during that year to comply with the NWMB's mandatory requirements for responsible stewardship.

### **6.1. Compliance with relevant law and policy**

- (a) DFO Legislation/Policy: Each allocation holder must comply with all of the relevant legislative and policy requirements of DFO, including licence conditions, regulations, management plans, conservation harvesting plans and encounter protocols;
- (b) Transport Canada Legislation/Policy: Each allocation holder must comply with all of Transport Canada's relevant environmental stewardship requirements for fishing vessels; and

- (c) *Species at Risk Act* (SARA): Each allocation holder must comply with all applicable SARA measures for marine species at risk.

## **6.2. Compliance with relevant research and reporting initiatives**

- (a) Each allocation holder must provide reasonable assistance and cooperation with respect to relevant research initiatives organized/sponsored by the NWMB or DFO;
- (b) Each allocation holder must compile records and provide reports of fishing operations, as required by the NWMB or DFO; and
- (c) Each allocation holder must provide relevant, best available Inuit Qaujimagatuqangit, as requested by the NWMB or DFO, to assist in and advance fisheries research.

## **6.3. Compliance with responsible habitat and ecosystem protection requirements**

- (a) Each allocation holder must assist in the identification of sensitive habitat areas as required by the NWMB or DFO, with particular emphasis on coral and sponges;
- (b) Each allocation holder must avoid fishing in locations formally identified by the NWMB or DFO as sensitive habitat areas where fishing is prohibited;
- (c) Each allocation holder must adhere to DFO or NWMB restrictions on fishing in protected and/or sensitive areas, as set out in relevant licence conditions, regulations, management plans, conservation harvest plans, encounter protocols and other formal policy or legal documents; and
- (d) Each allocation holder must adopt reasonable measures to avoid disturbance to marine mammals.

## **6.4. Compliance with responsible vessel and training requirements**

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

## **6.5. Compliance with responsible fishing practices and gear use**

- (a) Each allocation holder 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;<sup>2</sup> and

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<sup>2</sup> This is included as a responsible stewardship requirement for sound conservation reasons. Non-compliance will affect scoring under the Allocation Policy, but will have no enforcement consequences. The NWMB continues to recommend that, at a minimum, DFO adopt these measures as departmental policy, and that they be included in relevant Integrated Fisheries Management Plans.

- (b) Each allocation holder must use fishing gear that minimizes the harvest of undesirable species as by-catch, including marine mammals, and the harvest of juvenile fish.

## **7. ALLOCATION GUIDELINES FOR NUNAVUT'S COMMERCIAL MARINE FISHERIES**

In accordance with the principles outlined in Section 4 of this policy, and subject to 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. In applying the Allocation Guidelines, the NWMB will primarily rely upon the applicants' four-part Plans, *Annual Reports* from those who have received allocations previously, and *Verification Reports* prepared by DFO and Transport Canada. 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.

Also attached to the Allocation Policy as Appendix D is the *Evaluation Form for the Allocation Guidelines*, which sets out the maximum number of points provided for each subsection of each Guideline. Appendices B, C and D form a part of this Allocation Policy.

### **7.1 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, 7, 8, 9, and 10.

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

*Viable commercial ventures*, recognized through subsection (b), are defined as fishing enterprises that can demonstrate viability – including suitable business planning, capacity to harvest and/or process fish resources, responsible stewardship, relative economic return, value added to the fishery, stability of employment, and economic benefits to Nunavut.

A positive history in the fishery is appropriately acknowledged through subsection (c) and is defined as a history of positive performance in the fishery, including compliance with license conditions, fisheries regulations, and the *Mandatory Requirements for Responsible Stewardship* outlined in Section 6 of this Allocation Policy.

## **7.2 Inuit Involvement (up to 40 points).**

- (a) RWO/HTO/Nunavut Community<sup>3</sup> 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 one or more RWOs, or multiple HTOs and/or Nunavut Communities receiving the highest scores.

Under subsection (b), the level of scoring is dependent upon the percentage of Inuit ownership of the fishing enterprise, as well as the number of Inuit owners.

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

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

## **7.3 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) The provision of direct benefits to Nunavut.**

This guideline is in accordance with principles 1 to 10.

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<sup>3</sup> “Nunavut Community” means every Nunavut municipal or birthright corporation. Note that, for the allocation of the surplus within the NSA, the NWMB and the Minister are bound by NLCA Section 5.6.39: “...viable economic ventures ...must be sponsored by HTOs and RWOs.”

With respect to subsection (a), points are awarded for the number of Nunavummiut 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 and increasing the number of - and total payments to - 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.

Examples of direct benefits are economic benefits to dependent communities, market development and investment in training, research, inshore processing and infrastructure.

## **8. INSHORE FISHERIES DEVELOPMENT WITHIN THE NSA**

The NWMB defines inshore fisheries as those commercial fisheries taking place 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). Fisheries development inside the NSA is an area of high interest for relevant Nunavut communities, the GN, DFO, NTI and the NWMB. To encourage that development, and in accordance with Principle 3 of Section 4 of this Allocation Policy, the Board has established an annual Qikiqtaaluk regional exploratory allocation for turbot of 100 tonnes to be fished within the NSA. This allocation is to be subtracted from the overall Division 0A allocation of 6,500 tonnes, must be fished within the NSA portion of Division 0A and is not transferable to the offshore. In 2005, the Board also established a Pangnirtung community TAH of 500 tonnes for an isolated inshore turbot stock located in Cumberland Sound, separate from and additional to the existing Division 0B allocation to Nunavut of 2,850 tonnes.

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

The NWMB will conduct periodic reviews – approximately once every five years, and with appropriate assistance from the FAC – of the annual Qikiqtaaluk regional allocation and the Cumberland Sound TAH for turbot. The reviews may result in increases or decreases in the levels of TAH/allocation.

## 9. TRANSFER OF NUNAVUT ALLOCATIONS

The NWMB and its co-Management partners are interested in providing maximum benefits to Nunavut from commercial marine fisheries allocations, through the creation of a prosperous Nunavut fishery that contributes to the wealth and employment of Nunavummiut. In accordance with this principle, the NWMB is interested in ensuring that Nunavut's regional allocations remain with Nunavut-owned enterprises. However, as with most other fisheries in Canada there is a need for some allocation transfers, especially on a temporary basis. Consequently three forms of allocation transfers are addressed in this policy: permanent, temporary-external, and temporary-internal. In all transfer situations it is a prerequisite that Nunavut allocation holders comply with all relevant DFO policies.

The Allocation Policy requirements for allocation transfers are as follows:

- (a) **PERMANENT:** The permanent transfer of Nunavut's regional allocations is **not** permitted.
- (b) **TEMPORARY - EXTERNAL:** The NWMB recognizes that there can be sound business reasons for Nunavut owned enterprises to transfer allocations to southern fishing enterprises on a temporary annual basis in exchange for certain benefits. These benefits may include: (i) access to allocations in the south, to optimize the use of Nunavut boats and financial viability of Nunavut enterprises (given the limited fishing season in the North); (ii) receiving considerations in the purchase of assets at favorable terms and conditions, within a reasonable time frame; or (iii) the landing of fish at a Nunavut fish plant. Consequently, applicants are required to identify in their *Governance, Business, Benefits and Stewardship Plans* and *Annual Reports* their plans for temporary external transfers, including the justification for such transfers. Applicants are also required to set out the results of such temporary external transfers in their *Annual Reports*, including an operations report concerning the external transfers.
- (c) **TEMPORARY- INTERNAL:** In some cases after annual plans have been developed and approved, an allocation holder may have allocations available in excess of its harvesting capacity. Alternatively or in addition, extenuating circumstances may arise (e.g. "boat problems"--- mechanical, ice damage, sinking etc.). In such situations it would be necessary to make alternate arrangements to harvest the allocation. If the allocation holder does not already have temporary external transfer arrangements in place pursuant to its *Governance, Business, Benefits and Stewardship Plan* or *Annual Report*, or is unable to acquire another replacement boat on short notice, it may wish to transfer the quota to another enterprise. In an effort to provide maximum benefits to Nunavut, in these circumstances the allocation holder is obligated to offer the transfer in the form of a "*first opportunity to fish*" to Nunavut-owned enterprises with excess capacity to fish it

at a competitive rate. This requirement promotes collaboration amongst the Nunavut allocation holders and the optimal utilization of Nunavut fishing capacity.<sup>4</sup>

Part 9 of the Allocation Policy has been included to promote collaboration amongst Nunavut allocation holders, and the optimal utilization of Nunavut-owned assets. Allocation holders are not required to provide advance notice of transfers to the NWMB, other than that included in their *Governance, Business, Benefits and Stewardship Plans* and/or *Annual Reports*. However, allocation holders are required to include the details of any and all transfer activities in their subsequent *Governance, Business, Benefits and Stewardship Plans* and/or *Annual Reports*, including how these activities were in compliance with Part 9 (“*Transfer of Nunavut Allocations*”) of this Allocation Policy.

The overall transfer activity of each enterprise will be verified in the annual *Verification Report* prepared by DFO. Failure to comply with the “*Transfer of Nunavut Allocations*” policy may impact future commercial marine fisheries allocations.

## **10. NEW APPLICANTS FOR COMMERCIAL FISHERIES ALLOCATIONS**

The NWMB recognizes a responsibility to protect the financial investment of existing Nunavut-owned ventures in Nunavut’s commercial marine fisheries. Nonetheless, there is also an important responsibility to provide opportunities for qualified Nunavut interests to enter adjacent commercial marine fisheries – one of Nunavut’s most valuable common property resources. Although the NWMB acknowledges and appreciates the investment and attachment of existing allocation holders to the resource, fairness and transparency dictate that new entrants must be provided with the opportunity to submit applications and receive fair treatment under the Allocation Policy. Accordingly, the NWMB will consider applications for commercial marine fisheries allocations from new applicants in response to each NWMB public Call for Applications. The best opportunities for new applicants will likely arise in the case of an increase in Nunavut commercial marine fisheries allocations. Other potential opportunities for new applicants would include inshore fisheries development, emerging marine fisheries, and under-utilized existing allocations.

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<sup>4</sup> The NWMB would prefer that the Nunavut fishing industry – through the Industry Working Group (IWG) – establish its own administrative rules for temporary internal transfers of Nunavut allocations, compliant with the directions set out in section 9(c) of the Allocation Policy. Accordingly, the NWMB provides the IWG until November 3<sup>rd</sup> 2012 to develop and submit to the NWMB and DFO a proposed IWG temporary internal transfer policy for Nunavut allocations. In the absence of such a submission, current transfer arrangements will remain in place until the NWMB and DFO develop and implement an appropriate policy in consultation with allocation holders.

## **11. TRANSPARENCY AND DISCLOSURE**

Fish resources in and adjacent to 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, and the GN; DFO also applies the principles of openness and transparency to the management of fisheries. 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 requirements, the Board will make publicly available:

- (a) The FAC’s allocation advice and reasons delivered to the Board;
- (b) The NWMB’s resulting allocation advice, recommendations, decisions and reasons delivered to the Minister of Fisheries and Oceans;
- (c) Public summaries of the *Governance, Business, Benefits and Stewardship Plans* of successful applicants for commercial marine fisheries allocations; and
- (d) Public summaries of 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:

### **11.1 NWMB Business Confidentiality Policy**

#### **11.1.1 Exclusion List**

The public disclosure of certain commercial information can reasonably be expected to cause significant harm to the competitive business which owns that information. The purpose of the *Exclusion List* is to identify which commercial information provided to the FAC and the NWMB deserves, as a matter of course, to be maintained as strictly confidential and not be made publicly available.

The following information provided by applicants - as required in their *Governance, Business, Benefits and Stewardship Plans* and their Annual Plans – will be kept in confidence by the FAC and the NWMB, and will not be made publicly available. This information is included in the

*Exclusion List* because the need for confidentiality in each instance outweighs the public interest in disclosure:

- (a) Copies of the most recent audited consolidated income statement, balance sheet and cash flow statements;
- (b) Specific details of the harvesting plan for each target species for the fiscal year (although a public summary of the plan must be provided);
- (c) Contractual and other legal arrangements concerning where fish will be landed and processed (although a public summary of landing and processing arrangements must be provided);
- (d) Contractual and other legal arrangements concerning proposed processing and marketing plans (although a public summary of processing and marketing plans must be provided);
- (e) Contractual and other legal arrangements concerning any transition plan from a joint venture/charter program to self-sufficiency (although a public summary of such a transition plan must be provided);
- (f) Specific details of the projected general budget for the calendar year, including income from all sources and anticipated expenditures for all projects and administration (although a public summary of the budget must be provided);
- (g) Contractual and other legal arrangements concerning an overview of any proposed long-term development strategies (although a public summary of the overview must be provided); and
- (h) Contractual and other legal arrangements concerning any Business Plan update (although a public summary of the update must be provided).

#### **11.1.2 Other information that may be classified as confidential**

Applicants can request for good cause that records provided to the NWMB that are not on the *Exclusion List* 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.

## **12. MULTI-YEAR ALLOCATIONS**

### **12.1 Five-year Allocations**

Commencing with the 2013 fishing season, allocations in Nunavut's commercial marine fisheries will be awarded for five-year terms, subject to annual receipt by the NWMB of reliable evidence of satisfactory effort – through *Annual Reports* from allocation holders and *Verification Reports* from DFO and Transport Canada. Multi-year allocations are the Canadian fishing industry standard, are more economical and efficient than annual allocations, and promote stability and certainty for fishing enterprises that meet their commitments under the Allocation Policy.

#### **12.1.1 Increases to Nunavut allocations**

In years when allocations to Nunavut are increased, an application process will be necessary to distribute the increased allocation for the particular fishery affected by that increase, regardless of the overall five-year allocation term. However, the five-year allocation cycle for all fisheries will continue to be maintained as per the original schedule. By way of example: an increase for year three within the five-year cycle will result in an additional application process for that year, with the resulting allocation increase applying to all subsequent years thereof that allocation cycle. In due course, the NWMB will issue another Call for Applications for the combined original allocation and increased allocation during the last year of the five-year allocation cycle.

#### **12.1.2 Decreases to Nunavut allocations**

In years when one or more allocations to Nunavut are decreased, the NWMB will - for reasons of fairness - decide/recommend to apply proportional allocation decreases to each allocation holder in the affected fishery. However, if any Nunavut allocation reduction is equal to or greater than 15%, and would severely impede the economic viability of fishing efforts subject to the current distribution of allocations, the FAC will convene to review the issue and provide advice to the NWMB. After taking this advice into careful account, the NWMB may initiate a new application process for the affected fishery, regardless of the five-year term. However, once again, the five-year allocation cycle for all fisheries will continue to be maintained as per the original schedule.

### **13. ALLOCATION RECONCILIATION**

From time to time, allocation holders may exceed their specified annual allocation limit. In such cases, allocation holders will have 30 days after the end of the season to reconcile any allocation overruns. If the process cannot be completed within the 30-day period, adjustments will be made on a 1:1 basis. Subject to agreement by all allocation holders at the commencement of the five-year allocation term, this adjustment will be based first on any remaining un-harvested allocation in the respective management zone.<sup>5</sup> Thereafter (or, if there is no agreement by all the allocation holders), the remaining allocation overrun, if any, will be deducted from the subsequent year's allocation of the specific license holder in question.

In all cases, allocation holders must adhere to relevant DFO allocation reconciliation policies.

### **14. ALLOCATION APPLICATIONS, ANNUAL REPORTS AND VERIFICATION REPORTS**

#### **14.1 Allocation Application Procedure (conducted once every five years)**

In order to request an allocation in a fishery, an applicant must complete an *Application Form for Commercial Marine Fisheries Allocations* - attached as Annex 1 to the Allocation Policy - and submit a *Governance, Business, Benefits and Stewardship Plan*. Applicants must ensure that they provide all the required information in order to be fully and fairly evaluated according to the requirements of the Allocation Policy.

In most cases, the NWMB will issue a Call for Applications and a request for submission of *Verification Reports* for established fisheries by no later than June 15<sup>th</sup> of the preceding year. The Call for Applications will, at a minimum, be sent to the relevant RWOs, all current Nunavut fishing interests, and all HTOs adjacent to the fisheries, and will be published in the *Nunatsiaq News*. Completed Application Forms and *Governance, Business, Benefits and Stewardship Plans* must be delivered in both electronic and hard copy to the NWMB's Iqaluit office by no later than six weeks after the Board issues the Call for Applications.

Also by no later than six weeks after the Board issues its request for submission of *Verification Reports*, DFO and Transport Canada will each deliver to the NWMB their annual *Verification Report* for the previous year. Those Reports will be with respect to the *Mandatory Requirements for Responsible Stewardship* (Part 6 of the Allocation Policy) – and, in DFO's case - the *Transfer of Nunavut Allocations* (Part 9 of the Allocation Policy).

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<sup>5</sup> This is a provisional arrangement, to be reviewed by the FAC, the NWMB and DFO after the third year of implementation. If one or more allocation holders are found to be consistently engaging in overruns, the NWMB is prepared to modify or eliminate adjustments based on any remaining un-harvested allocation in the management zone.

The NWMB will normally make its allocation decisions and recommendations by no later than December 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 notify all applicants by electronic and regular letter mail that it has forwarded its decisions/recommendations to the Minister. An *Allocation Application Flow Chart* is attached as Annex 2 to the Allocation Policy.

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 announced 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.

#### **14.2 *Annual Reports (submitted in the years between Allocation Applications)***

Each year by no later than June 15<sup>th</sup> – except in those years when Allocation Applications and *Governance, Business, Benefits and Stewardship Plans* are submitted - the NWMB will issue a Call for *Annual Reports* for established fisheries, in addition to its annual request to DFO and Transport Canada for submission of their *Verification Reports*. Allocation recipients are required to submit an *Annual Report* to the NWMB for the previous year by no later than six weeks after the Call is issued. The Report must fully detail the previous year's operations and how they have met the commitments identified in applicable *Governance, Business, Benefits and Stewardship Plans*.

Also by no later than six weeks after the Board issues its request for submission of *Verification Reports*, DFO and Transport Canada will deliver to the NWMB their annual *Verification Reports* for the previous year.

By no later than November 1<sup>st</sup>, the FAC will have completed its review of the *Annual Reports*, the *Verification Reports* and industry comments. That review will then be followed by a careful NWMB consideration of the *Annual Reports*, *Verification Reports*, FAC recommendations and reasons, and industry comments. The NWMB's consideration may result in decisions and recommendations affecting one or more individual allocations. An *Annual Report and Verification Report Flow Chart* is attached as Annex 3 to the Allocation Policy.

#### **14.3 *Verification Reports (submitted every year)***

Following the completion of each fishing season, DFO and Transport Canada will each prepare and provide to the NWMB an annual *Verification Report* concerning the performance of allocation holders in Nunavut's commercial marine fisheries with respect to particular aspects of the *Mandatory Requirements for Responsible Stewardship* (Part 6). DFO's Report will also include information pertaining to the *Transfer of Nunavut Allocations* (Part 9).

Subject to legal privacy restrictions, DFO will report on catch information and allocation transfers, pursuant to sub-section 6.1(a) and Part 9 of the Allocation Policy. The *Verification Report* will set out the following for each allocation holder in each fishing area in which they have an allocation:

- (a) The total reported annual catch;
- (b) Whether the reported annual catch matches the allocation or adjusted allocation amount (after in-season transfers, if any), and the difference between the catch and the (adjusted) allocation, if they do not match;
- (c) The total allocation amount temporarily transferred externally, and
- (d) The total allocation amount temporarily transferred internally.

In addition, DFO will report on other mandatory requirements falling under sub-section 6.1(a), as well as on mandatory requirements under sub-section 6.1(c) and sections 6.2, 6.3 and 6.5. DFO will provide a summary of concerns that the Department has with the overall performance of the allocation holders. The summary may be accompanied by one or more recommendations for improvement of relevant stewardship measures by the allocation holders. In order to respect privacy rights and protect investigative integrity, the summary will not include any reporting on individual allocation holders.

Transport Canada will report on those mandatory requirements falling under sub-section 6.1(b) and section 6.4. This will consist of a list of the vessels operated by Nunavut allocation holders, as well as a summary, for each vessel, of its compliance with Transport Canada's legal and policy requirements.

Upon receipt of the *Verification Reports*, the NWMB will forward to each allocation holder all sections of the *Verification Reports* pertaining directly to them, as well as to the industry as a whole.

The FAC and the NWMB will take the *Verification Reports* into consideration during the evaluation of applications for commercial marine fisheries allocations, and during annual performance reviews. As set out in Appendix A, allocation holders subject to performance reviews will have an opportunity to review all sections of the *Verification Reports* pertaining directly to them, as well as to the industry as a whole. Allocation holders will have an opportunity to provide their comments to the NWMB, prior to the NWMB making a decision or recommendation informed by its consideration of the *Verification Reports*.

# ANNEX 1: Application Form for Commercial Marine Fisheries Allocations

*Fishery Applied For:*

**Turbot:** 0B (outside NSA) \_\_\_\_\_ OA (outside NSA) \_\_\_\_\_ CSTMA \_\_\_\_\_

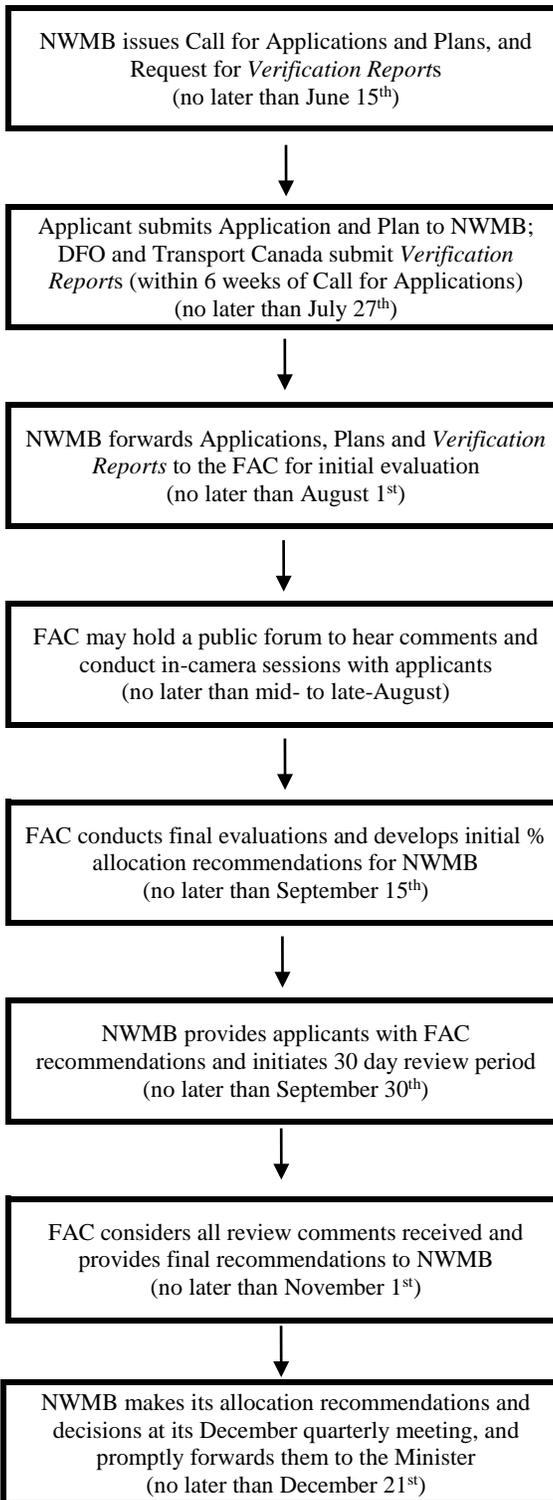
**Shrimp:** SFA 1 Com \_\_\_\_\_ Davis Strait East \_\_\_\_\_  
 Nunavut East \_\_\_\_\_ Nunavut West \_\_\_\_\_

**Other Species:** \_\_\_\_\_ **Location:** \_\_\_\_\_

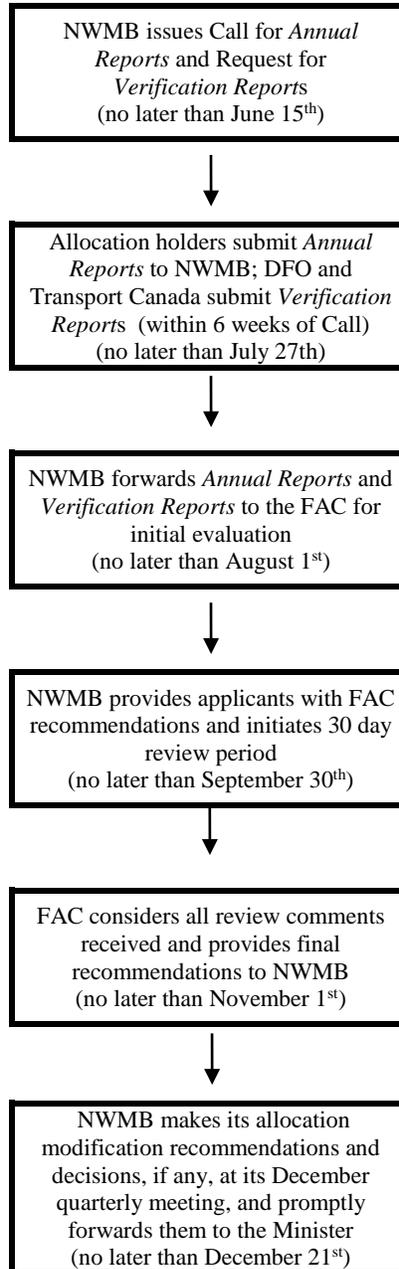
*Note – A separate application form must be completed for each fishery.*

<b>Name of Applicant:</b>		<b>Address:</b>	
<b>E-mail Address:</b>			
<b>Phone #</b>		<b>Fax #</b>	
<b>Is the business Inuit-owned?</b> Yes, 100% _____ No _____ indicate % Inuit ownership		If not 100% Inuit owned, are non-Inuit partners Nunavut residents? Yes _____ No _____	
<b>In what community(s) is the business based? Head Office Location?</b>			
List previous allocations and harvests in this fishery (Metric Tonnes, MT). Indicate the amount you harvested and any amount transferred to another Licence holder.			
<b>Year</b>	<b>Allocation (MT)</b>	<b>Harvested (MT)</b>	<b>Transferred (MT)</b>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
<b>Allocation(s) requested this year (MT):</b>			
_____			

**ANNEX 2:  
Allocation Application Flow Chart  
(conducted once every 5 years)**



**ANNEX 3:**  
***Annual Report and Verification Report Flow Chart***  
**(conducted in the years between Allocation Applications)**



**APPENDIX A TO THE NUNAVUT WILDLIFE MANAGEMENT BOARD  
ALLOCATION POLICY FOR COMMERCIAL MARINE FISHERIES:  
TERMS OF REFERENCE FOR THE  
NUNAVUT FISHERIES ADVISORY COMMITTEE**

**1. FISHERIES ADVISORY COMMITTEE MANDATE**

The Fisheries Advisory Committee (FAC or Committee) has been established by the Nunavut Wildlife Management Board (NWMB or Board) to assist the NWMB in integrating socio-economic, governance, business, employment and development considerations with the Board's fisheries management and conservation expertise. The FAC provides advice to the NWMB on the allocation of commercial marine fisheries resources within the Nunavut Settlement Area (NSA), and within Nunavut's adjacent offshore waters - defined in the *Nunavut Land Claims Agreement* (NLCA) as Zones I and II - all in accordance with the *Nunavut Wildlife Management Board Allocation Policy for Commercial Marine Fisheries* (Allocation Policy). The following pages outline the Terms of Reference for the establishment and operation of the FAC.

**2. ROLES AND RESPONSIBILITIES**

The roles and responsibilities of the Committee include:

- To review and assess applications, including *Governance, Business, Benefits and Stewardship Plans*, submitted to the NWMB for commercial marine fisheries allocations;
- To undertake a review and assessment of the *Annual Reports* submitted by each allocation recipient;
- To undertake a review and assessment of the *Verification Reports* submitted by the Department of Fisheries and Oceans (DFO) and Transport Canada;
- To make recommendations to the NWMB on the allocation of Nunavut fisheries resources based upon the review and analysis of formally submitted applications and, where applicable, *Annual Reports* and *Verification Reports*;
- To provide advice, as requested by the NWMB, the Government of Nunavut (GN) and/or Nunavut Tunngavik Inc. (NTI), on overall fisheries development issues in Nunavut;
- To provide advice and recommendations on confidentiality issues (i.e. what information should or should not be deemed confidential); and
- Any other tasks that the NWMB may request the Committee to undertake.

### **3. COMPOSITION OF THE COMMITTEE**

#### **3.1 Appointment of members**

The membership of the Committee shall include five members appointed by the following organizations:

- Two members appointed by Nunavut Tunngavik Inc., one an industry expert and the other a Qaujimanilik (a person recognized by Inuit as having an in-depth knowledge of issues essential to the success of the fishery);
- Two members appointed by the Government of Nunavut, one an industry expert and the other a Qaujimanilik; and
- One member appointed by the Nunavut Wildlife Management Board.

Members will be appointed by the respective organizations based upon their knowledge and experience of fisheries-related issues in Nunavut, including their knowledge of social, economic, governance, business, employment, and development issues related to commercial marine fisheries. Upon selection, the FAC members will appoint a chairperson and vice-chairperson. **Although members are appointed by the foregoing organizations, once appointed these individuals will perform their duties independently, impartially, and in the public interest.**

#### **3.2 Term of Appointment**

Committee members will be appointed for a set term of five years. Appointments may be renewed, at the discretion of the appointing organization. To ensure the credibility, independence and impartiality of the FAC, each organization responsible for the appointment of a Committee member, or the NWMB, may only choose to terminate that Committee member's appointment prior to the expiry of his or her term based on just cause.

### **4. PRINCIPLES AND GUIDELINES**

In reviewing allocation applications and related documents submitted to the NWMB, the Committee will follow the principles and guidelines established by the NWMB in Sections 4 and 7 of the Allocation Policy.

## **5. EVALUATION PROCESS**

The FAC will undertake evaluations of allocation applications for commercial fisheries, in light of submitted *Governance, Business, Benefits and Stewardship Plans, Annual Reports* and *Verification Reports*. That evaluation process is outlined below.

### **5.1 Application Evaluation (conducted once every 5 years)**

Applicants for marine fisheries allocations will be required to submit to the NWMB an *Application Form for Commercial Marine Fisheries Allocation* (attached as Annex 1 to the Allocation Policy), as well as a detailed *Governance, Business, Benefits and Stewardship Plan* (template provide as Appendix B of the Allocation Policy). The purpose of this Plan is to ensure that the recipient is capable of properly managing this benefit and that the public is fully informed of its use and of the benefits that have arisen.

The Committee will perform an initial evaluation of Allocation Applications and Plans using the criteria detailed in the Allocation Policy. The Committee will also review relevant *Verification Reports* submitted by DFO and Transport Canada to the NWMB, concerning the performance of allocation holders with respect to the *Mandatory Requirements for Responsible Stewardship*, set out in Part 6 of the Allocation Policy, and *Transfer of Nunavut Allocations*, set out in Part 9. To assist the Committee in this process, an *Evaluation Form for the Allocation Guidelines* is attached as Appendix D to the Allocation Policy.

If the FAC determines that key items are missing from the application documents, the Committee will notify the applicant and provide a set period of time to submit the necessary information (see the *Allocation Application Flow Chart* attached as Annex 2 to the Allocation Policy).

Following the initial evaluation, a public forum may be held at the discretion of the Committee, to facilitate applicant and stakeholder input into the process. In this forum, applicants have the opportunity to provide a summary presentation on their Applications and Plans. Other stakeholders would also be provided with time to make presentations. The FAC may also hold in-camera sessions with applicants, to provide the Committee and applicant with the opportunity to ask questions and discuss confidential details of the applicant's Application and Plan, as well as those parts, if any, of the *Verification Reports* pertaining directly to the applicant and to the industry as a whole.

Upon completion of these sessions, the FAC will proceed to complete its assessment and evaluation. When the evaluation is complete the Committee will provide the NWMB with its written recommendation on the percentage of the resource (and, whenever possible, the actual amount of the resource) that should be allocated to each successful applicant. Justification will be provided for both accepted and rejected Applications.

At this point, individual allocation applicants are provided with summaries of the FAC's analysis and resulting recommendations and reasons regarding their Application and Plan, as well as those parts of the *Verification Reports* that pertain directly to them and to the industry as a whole. Applicants that disagree with the analysis, recommendations or reasons of the FAC, or with any aspect of the *Verification Reports*, may provide written, substantiated documentation supporting their case to the NWMB within a 30-day review period following receipt of the initial allocation recommendations. The NWMB will share that documentation with the FAC, and will take it and any additional or revised FAC analysis, recommendations and reasons into consideration prior to providing its final recommendations and decisions to the DFO Minister.

As per the Allocation Policy, once the NWMB's final allocation recommendations and decisions have been addressed by the DFO Minister, the Committee's advice to the NWMB will be made public along with the justification for this advice, subject to relevant confidentiality and privacy concerns.

## **5.2 Annual Performance Review (conducted in the years between Application Evaluations)**

Each year that is **not** a full application year, every allocation recipient is required to submit an *Annual Report* to the NWMB, fully detailing the previous year's operations and how the recipient has met the commitments identified in its *Governance, Business, Benefits and Stewardship Plan*. A template for this *Annual Report* is provided in Appendix C to the Allocation Policy. DFO and Transport Canada are also required to each submit an annual *Verification Report* to the NWMB. The Committee will review the *Annual Reports* and the *Verification Reports* in light of the recipient's commitments. The FAC will then provide recommendations, with reasons, to the NWMB as to any corrective actions required. These recommendations may include:

- A recommended increase in allocation, if available, based upon the high level of success of the allocation recipient in meeting its objectives, and the desirability of building upon this success;
- A recommended status-quo, based upon the success of the allocation recipient in meeting its objectives;
- A recommended warning to the allocation recipient for failure to meet all of its objectives, and provision of a specified time period to comply (generally one year), or be subject to a reduction in allocation; and
- For failure to comply within the specified time period, a recommended immediate reduction of the allocation, or – in cases of culpable negligence<sup>6</sup> - suspension or termination of the allocation, based upon a substantial failure to comply with regulatory

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<sup>6</sup> Culpable negligence "...means something more than negligence... it has been said to be intentional conduct which the actor may not intend to be harmful but which an ordinary and reasonably prudent man would recognize as involving a strong probability of injury to others. [Black's Law Dictionary]"

requirements, and/or to meet essential obligations set out in the recipient's Plan, and/or to comply with essential directions in the Allocation Policy, including the *Mandatory Requirements for Responsible Stewardship*. For the year in question when this allocation, or a part thereof, becomes available, the Committee will make recommendations on the temporary redistribution of the allocation, or part thereof, to be shared on a temporary basis among existing allocation holders. The allocation, or part thereof, may become subject to a new Call for Applications for the following season.

Following receipt of the FAC's recommendation for a reduction, suspension or termination of an allocation, the NWMB will provide the allocation holder with the FAC's analysis and resulting recommendation and reason(s), as well as all relevant parts of the *Verification Reports*. Allocation holders that disagree with the analysis, recommendation or reason(s) of the Committee, or with any aspect of the *Verification Reports*, may provide written, substantiated documentation supporting their case to the NWMB, within a 30-day review period. The NWMB will share that documentation with the FAC, and will take it and any additional or revised FAC analysis, recommendation and reason(s) into consideration prior to providing its final recommendations and decisions to the DFO Minister.

As per the Allocation Policy, once the NWMB's final allocation recommendations and decisions have been addressed by the DFO Minister, the Committee's advice to the NWMB will be made public along with the justification for this advice, subject to relevant confidentiality and privacy concerns.

## **6. CONFIDENTIALITY RESPONSIBILITIES**

### **6.1 FAC responsibilities**

An integral component of FAC duties is the review and consideration of confidential information contained within *Governance, Business, Benefits and Stewardship Plans, Annual Reports, Verification Reports* and related documents. Each FAC member is under a legal duty to maintain such materials and information as strictly confidential, both during his or her term as a Committee member and after that term has ended.

In recognition of that legal duty, and because the disclosure of confidential business materials and information can reasonably be expected to cause significant harm to the competitive business which provides the materials and information, each FAC member is required to complete the following steps prior to undertaking his or her Committee duties:

- (a) Enter into a formal confidentiality agreement with the organization that appoints the FAC member (attached as Schedule I to, and forming a part of, these Terms of Reference); and
- (b) Sign in the presence of an authorized Commissioner for Oaths a "*Solemn Declaration to Maintain Confidentiality*" (attached as Schedule II to, and forming a part of, these Terms of Reference).

## **6.2 GN and NTI responsibilities**

As organizations that appoint and remunerate FAC members, the GN and NTI are subject to the following confidentiality obligations:

- (a) Enter into formal confidentiality agreements with their appointed FAC members (attached as Schedule I to these Terms of Reference); and
- (b) Upon termination of an FAC member's appointment, ensure that all confidential materials and information delivered to them by the departing FAC member are kept secure and maintained as confidential at all times, and – subject to written directions from the NWMB - are promptly provided to the organization's newly appointed FAC member or are returned to the NWMB.

## **7. COMPLIANCE WITH NWMB POLICIES, AND CONFLICT OF INTEREST RESPONSIBILITIES**

In performing its functions, the FAC must comply with all relevant NWMB policies, and with any directions from the NWMB regarding the operation of the Committee.

FAC members must disclose any private interests that may affect the exercise of their duties as Committee members. If a real, potential or apparent conflict of interest should arise between a member's private interests and his or her duties as a Committee member, the conflict must be resolved in favor of the FAC duties. Each FAC meeting agenda will be reviewed at the beginning of the meeting, so that members may declare potential conflicts.

## **8. ADMINISTRATION OF THE FAC**

The individual appointing organizations (NTI, the GN and the NWMB) are responsible for all of the necessary costs associated with the participation of their appointed members on the FAC. The Committee, if experiencing an excess workload, may recruit one or more qualified consultants to assist the FAC in its work, particularly in the preparation of due diligence reports, subject to pre-approval by the respective appointing organizations. The NWMB, the GN and NTI, will – if necessary – request that other relevant agencies (for example, Aboriginal Affairs and Northern Development Canada, DFO, Kakivak and the Nunavut Fisheries Training Consortium) provide financial assistance to help offset the additional costs.

**SCHEDULE I TO THE *TERMS OF REFERENCE*  
FOR THE *FISHERIES ADVISORY COMMITTEE***

**Contractual provisions to be inserted into:**

- (a) the FAC member's employment or consultant contract with his or her appointing organization,**
- (b) an addendum to that contract, or**
- (c) a stand-alone "Confidentiality Agreement" between the FAC member and his or her appointing organization.**

1. The [Employee] [Consultant] acknowledges that, as a member of the Nunavut Fisheries Advisory Committee (FAC), the [Employee] [Consultant] will acquire materials and information that are confidential in nature, and that the unauthorized disclosure of such materials and information can reasonably be expected to cause significant harm to the competitive businesses that provide the materials and information, as well as to the Nunavut Wildlife Management Board (NWMB) and [the Government of Nunavut] [Nunavut Tunngavik Incorporated]. Such materials and information may include, but are not limited to, the following:

- (a) Audited consolidated income statements, balance sheets and cash flow statements;
- (b) Specific details of the harvesting plan for each target species for the fiscal year;
- (c) Contractual and other legal arrangements concerning where fish will be landed and processed;
- (d) Contractual and other legal arrangements concerning proposed processing and marketing plans;
- (e) Contractual and other legal arrangements concerning any transition plan from a joint venture/charter program to self-sufficiency;
- (f) Specific details of the projected general budget for the calendar year, including income from all sources and anticipated expenditures for all projects and administration;
- (g) Contractual and other legal arrangements concerning an overview of any proposed long-term development strategies;
- (h) Contractual and other legal arrangements concerning any Business Plan or Business Plan update;
- (i) Lists of present and prospective customers, and related information;
- (j) Software, electronic information and databases; and
- (k) Trade secrets and proprietary business interests.

2. The [Employee] [Consultant] undertakes to treat confidentially all the materials and information referred to in paragraph 1, and agrees not to disclose same to any third party either during the term of his or her FAC appointment, except as may be necessary in the proper discharge of his or her FAC duties, or after the date of termination of the [Employee's] [Contractor's] appointment to the FAC, irrespective of the time, manner or cause of the termination.
3. If the [Employee] [Consultant] understands that he or she is required to disclose confidential materials or information received in his or her capacity as an FAC member by a law, regulation, governmental body or by court order, prior to such disclosure the [Employee] [Consultant] will provide to [the Government of Nunavut] [Nunavut Tunngavik Incorporated] and the NWMB both reasonable notice and a reasonable opportunity to dispute the requirement.
4. The [Employee] [Consultant] acknowledges that, without prejudice to any and all rights of [the Government of Nunavut] [Nunavut Tunngavik Incorporated] [the NWMB], an injunction is the only effective remedy to protect the rights, materials and information referenced in paragraphs 1, 2 and 3 above.
5. Upon the termination of the [Employee's] [Contractor's] appointment to the FAC, irrespective of the time, manner or cause of the termination, the [Employee] [Consultant] will within three (3) business days deliver or cause to be delivered to [the Government of Nunavut] [Nunavut Tunngavik Incorporated] [the NWMB] all confidential materials and information received in his or her capacity as an FAC member that is embodied in any way - whether physical or in electronic, magnetic, optical or other ephemeral form - and that is in his or her possession or under his or her control.

**SCHEDULE II TO THE *TERMS OF REFERENCE*  
FOR THE FISHERIES ADVISORY COMMITTEE: SOLEMN  
DECLARATION TO MAINTAIN CONFIDENTIALITY**

WHEREAS I have been appointed to the Nunavut Fisheries Advisory Committee (FAC) of the Nunavut Wildlife Management Board (NWMB) to provide advice to the NWMB concerning, among other matters, the allocation of commercial marine fisheries resources within the marine waters adjacent to Nunavut;

AND WHEREAS I am required, in carrying out my FAC duties, to review *Governance, Business, Benefits and Stewardship Plans, Annual Reports* and related documents;

AND WHEREAS those Plans, Reports and related documents routinely contain confidential business information, the unauthorized disclosure of which can reasonably be expected to cause significant harm to the competitive businesses that provide such materials and information;

AND WHEREAS I am under a legal duty to maintain such materials and information as strictly confidential, both during my term as an FAC member and after that term has expired;

NOW THEREFORE, I SOLEMNLY DECLARE AS FOLLOWS:

1. I will diligently comply with all relevant confidentiality directions in the *Nunavut Wildlife Management Board Allocation Policy for Commercial Marine Fisheries*;
2. Subject to declaration number three (3), I will maintain strict confidentiality with respect to all confidential materials and information that I receive in my capacity as an FAC member, and will continue to maintain that confidentiality both during my term as an FAC member and after my term has ended, no matter the reason for the end of my term;

3. If I understand that I am required to disclose confidential materials or information received in my capacity as an FAC member by a law, regulation, governmental body or by court order, prior to such disclosure I will provide to the NWMB both reasonable notice and a reasonable opportunity to dispute the requirement; and
  
4. Within three (3) business days after my term as an FAC member has ended, I will deliver either to the NWMB or to the organization that appointed me all property of the NWMB, or property otherwise entrusted to the NWMB – including without limitation all confidential materials and information received in my capacity as an FAC member – that is embodied in any way, whether physical or in electronic, magnetic, optical or other ephemeral form, and that is in my possession or under my control.

I make this solemn declaration conscientiously, knowing that it is of the same force and effect as if made under oath.

\_\_\_\_\_  
[FAC Member Name]

\_\_\_\_\_  
Date

**SOLEMNLY DECLARED BEFORE ME** at \_\_\_\_\_ in  
\_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_,  
20\_\_.

\_\_\_\_\_  
[Name]  
Commissioner for Oaths

[Address of Commissioner]

**APPENDIX B TO THE NUNAVUT WILDLIFE MANAGEMENT BOARD  
ALLOCATION POLICY FOR COMMERCIAL MARINE FISHERIES:  
GOVERNANCE, BUSINESS, BENEFITS  
AND STEWARDSHIP PLAN TEMPLATE**

**1. BACKGROUND**

Fishery resources in Nunavut Settlement Area (NSA) waters are co-managed and allocated by the Department of Fisheries and Oceans (DFO) and the Nunavut Wildlife Management Board (NWMB or Board). The NWMB also exercises an extensive advisory jurisdiction with respect to adjacent fishery resources outside the NSA. An essential component of such authority is the responsibility to ensure that resources are allocated, fished and managed in an open and accountable manner, and that allocation holders provide substantial benefits to Nunavummiut.

**2. PURPOSE**

The primary reasons for preparing a *Governance, Business, Nunavut Benefits and Stewardship Plan* are as follows:

- (a) To ensure that allocation recipients in Nunavut adjacent waters are operating their business venture in an open, transparent and accountable manner, demonstrating competence and responsibility. The ability to establish an open and transparent process in determining fisheries allocations in Nunavut adjacent waters will establish Nunavut in a leading edge position in terms of Canadian fisheries policy;
- (b) To ensure that allocation recipients have a clear and viable plan to effectively manage the public resource they are entrusted with and thereby increase overall benefits to Nunavummiut. This approach is consistent with the *Nunavut Fisheries Strategy*, which identified business and organizational capacity development as one of its key objectives;
- (c) To ensure that organizations requesting allocations provide substantive details as to how Nunavut will benefit from their allocations. This approach is consistent with the *Nunavut Fisheries Strategy* (2005), as well as the *Organizational and Performance Review of Nunavut's Offshore Fishing Industry* (2006); and
- (d) To ensure that quota recipients understand and are prepared to meet the mandatory requirements for responsible stewardship.

### **3. EVALUATION CRITERIA**

Due to the limited regional allocations available to Nunavut fishers in Nunavut's adjacent waters, applications for access will necessarily be evaluated in competition with one another. The key areas to be addressed in the *Governance, Business, Benefits and Stewardship Plan* are described in Section 7 of the Allocation Policy, *Guidelines for Nunavut's Commercial Marine Fisheries Allocation*.

### **4. KEY FACTORS**

Key factors that should be taken into account and included in the applicant's *Governance, Business, Nunavut Benefits and Stewardship Plan* include:

#### ***Governance Factors***

- Provide evidence that applicants are qualified and are either partially or wholly Inuit-owned;
- Provide a description of ownership and management structure;
- Demonstrate how management structure is qualified to carry out business activities and manage the overall fisheries allocations;
- Provide a list of key personnel, including contract personnel;
- Identify the legal relationship between the applicant group and managing organization (if different);
- Provide a list of the applicant company/group's Board of Directors;
- Provide a copy of the company/group's internal governance regulations/by-laws;
- Provide an overview of shareholder and/or membership reporting structures;
- Provide evidence of communications with shareholders/members related to the organization's fisheries activities, and evidence of shareholder/member awareness of and participation in decisions related to these activities;
- Provide an organizational chart of all divisions, subsidiaries, joint ventures and partnerships specifying (where applicable) legal structure, province/territory/country of registration, percentage ownership, etc.;
- Provide a summary of proposed profit sharing and/or royalty arrangements;
- Identify and demonstrate any history of good governance on the part of the applicant.

#### ***Business Factors***

- Provide copies of the most recent audited consolidated income statement, balance sheet and cash flow statements;
- Provide a summary of proposed harvesting activities by target species including:
  - A detailed harvesting plan for each target species for the fiscal year;
  - A summary of the proposed harvesting method(s);

- Description of proposed vessel(s) to be used;
- Identify where fish will be landed and processed;
- Identify percentage of allocation to be harvested under a charter arrangement, and the justification for planned external or internal temporary transfers (Part 9 of the Allocation Policy);
- Provide overview of proposed processing and marketing plans;
- Identify transition plan from joint venture/charter program to self-sufficiency (if applicable);
- Provide projected general budget for the fiscal year, including income from all sources and anticipated expenditures for all projects and administration;
- Provide overview of any proposed long-term development strategies;
- Other business information which may assist in the evaluation of the application;

### ***Benefits Factors***

- Goals and objectives of the applicant's plan;
- Economic opportunities provided through employment of Nunavummiut, especially Inuit;
- Ownership of the economic enterprise and/or the vessel(s) by one or more residents of Nunavut;
- Plans to re-invest revenue into fisheries R&D and/or emerging fisheries development;
- How the plan generates new capital and/or equity for harvesting and/or processing opportunities;
- Efforts taken to include residents from other communities;
- Contribution to Nunavut economy;
- Cooperative efforts with other communities;
- Proposed training plan;
- Any plans to re-invest revenues into non-fisheries based activities;
- Benefits indicators summary;
- Any other benefits information which may assist with the evaluation of the application.

### ***Stewardship Factors***

- Demonstrate an understanding of what is meant by responsible stewardship;
- Detail measures to be taken to comply with NWMB's *Mandatory Requirements for Responsible Stewardship*;
- Identify and demonstrate any history of responsible stewardship on the part of the applicant.

## **5. ACCOUNTABILITY**

Applicants are advised to complete their *Governance, Business, Benefits and Stewardship Plan* in detail. It is important for all applicants to note that the governance structure and the reporting,

business, benefits and stewardship commitments outlined in this Plan will be cross referenced with the information provided in the *Annual Reports* and *Verification Reports*, which are a requirement for all successful applicants. Any significant failure to live up to the commitments made in the Plan may result in a warning and subsequent loss of a portion or all of an organization's allocation if the organization fails to comply. All information provided in Plans submitted to the NWMB will be subject to the *Business Confidentiality Policy* outlined in Part 11 of the Allocation Policy.

## **6. TABLE OF CONTENTS**

The following pages outline a draft Table of Contents for the *Governance, Business, Benefits and Stewardship Plan*. Although applicants are not required to follow this report structure, they are advised that their Plan must be complete and include all of the key information requirements outlined above.

## ***Governance, Business, Benefits and Stewardship Plan***

### **Table of Contents**

**Executive Summary (Public):** Provide a 5-7 page summation of the applicant's *Governance, Business, Nunavut Benefits and Stewardship Plan*, highlighting the key factors illustrating: the applicant's commitment to good governance and responsible stewardship; the applicant's ability to establish and operate a viable business, generating returns and benefits to Nunavummiut; and the applicant's commitment to maximizing the benefits from their allocations for Nunavummiut.

**Background:** Provide a detailed background on the applicant company/organization, focusing on: the history of organization development and steps that have been taken to improve governance, responsible stewardship and the development of open, transparent and accountable operations; its ability to maximize employment and financial benefits from allocations; and its ability to ensure these benefits are equitably distributed/utilized. Provide a summary of prior activity by the company/organization (organizational activity, fishing activity, etc.).

**The Company/Organization:** Provide detail on the company/organization, including ownership and management structure, organizational charts, etc. Provide detail on the applicant company/organization's current governance structure. Illustrate and detail how the company/organization has or plans to obtain the experience and management capacity to establish/run a successful fishing enterprise. Applicants are advised to ensure that the key factors identified in the Plan template are included.

#### ***Governance Section***

**Governance Plan:** Provide detail on the applicant company/organization's future plans for improving governance, openness, transparency and accountability to shareholders/membership of their operations. Identify, in tabular form where possible, commitments and timeframes.

#### ***Business Section***

**Operations Plan:** Provide detail on operations, including a detailed harvesting plan and details on processing and marketing plans.

**Financial Plan:** Provide detail on company/organization financing and financial performance. For existing allocation holders, provide audited statements for the prior year. Provide financial projections for the current season, detailing projected revenues and costs (operating costs, administrative costs). Identify proposed investment activities and explain any major changes from previous years.

**Implementation Plan:** Outline an action plan with timelines for the current and future seasons. Identify commitments on organizational and enterprise development and Inuit involvement.

### ***Benefits Section***

**Employment:** Detail the direct and indirect employment benefits to be derived from the allocation for Nunavummiut and especially Inuit. Outline plans and commitments to increase these employment benefits over time. Detail plans to develop/implement Inuit-appropriate working conditions/environment, to increase Inuit recruitment and retention.

**Training and R&D:** Detail proposed investments in training and R&D, and the potential benefits to be derived from these investments.

**Fisheries Investment:** Detail proposed investments in fisheries assets, and the benefits to be derived from these investments.

**Other Investment:** Detail any proposed investments to be made outside the fishery and the benefits to be derived from these investments.

**Summary:** Summarize the plans and commitments being made to maximize benefits to Nunavummiut. Provide a benefits indicators summary, including the following indicators:

- Composition of workforce: number of Inuit and non-Inuit; shifts or hours worked for each group; and earnings for each group per quarter;
- Intensity of employment: number of Inuit and non-Inuit by level of earnings per quarter, i.e. < \$5K, \$5-15K, \$15-25K, etc.; and
- Employee recruitment, retention and turnover: Inuit and non-Inuit recruited and retained, reasons for non-retention, etc.

### ***Stewardship Section***

**Responsible Stewardship:** Detail the applicant's understanding of the meaning and importance of responsible stewardship. Outline the applicant's past history in achieving responsible stewardship.

**Stewardship Plan:** Detail the measures that will be taken by the applicant to comply with each of the measures outlined in the NWMB's *Mandatory Requirements for Responsible Stewardship*. Identify, in tabular form where possible, commitments and timeframes.

**APPENDIX C TO THE NUNAVUT WILDLIFE MANAGEMENT BOARD  
ALLOCATION POLICY FOR COMMERCIAL MARINE FISHERIES:  
ANNUAL REPORT TEMPLATE**

**1. ANNUAL REPORT TABLE OF CONTENTS**

*Annual Reports* must be received by the NWMB within 6 weeks of the NWMB's Call for *Annual Reports*. An electronic copy of the public summary for each *Annual Report* must be forwarded to the NWMB by no later than July 27<sup>th</sup> (for posting on the NWMB web site).

**Table of Contents**

I.	Executive Summary – Public .....	Page #
II.	Nunavut Benefits Plan Update .....	Page #
	A. Progress Toward Goals, Objectives, Milestones	
	B. Employment Benefits	
	1. Data Form	
	2. Summary	
	C. Training and R&D Benefits	
	1. Data Forms	
	2. Summary	
	D. Investment Benefits	
	1. Research and Development Investment	
	2. Fisheries Investment	
	3. Other Investment	
	E. Commitments for Upcoming Season	
	F. Benefits Indicators Summation	
III.	Governance Plan Update .....	Page #
	A. Progress Toward Goals, Objectives, Milestones	
	B. Governance Structure Update	
	1. Board Activities	
	a. Changes in members	
	b. Decisions	
	c. Board Meeting Minutes [confidential section]	
	2. Other Changes in Governance Structure	
	C. Governance Plan Update	
	D. Commitments for Upcoming Season	

- IV. Stewardship Plan Update .....Page #
  - A. Progress Toward Goals, Objectives, Milestones
  - B. Compliance With Stewardship Guidelines
  - C. Commitments for Upcoming Season
  
- V. Business Plan Update .....Page #
  - A. Progress Toward Goals, Objectives, Milestones
  - B. Operations Report
    - 1. Harvest Activities by Target Fishery
    - 2. Consolidated Summary of Harvesting Activities
    - 3. Compliance
    - 4. Other Fishing Issues / Activities
  - C. Financial Report
  - D. Commitments for Upcoming Season
  
- VI. Detailed Financial Information (TBD) .....Page #
  - A. Financial Statements – Group
    - 1. Consolidated Statement of Activities
    - 2. Consolidated Statement of Financial Position
    - 3. Consolidated Statement of Cash Flows
    - 4. Subsidiary Report - Group Subsidiary(ies) [ Required]
      - a. Income Statement (Statement of Activities)
      - b. Balance Sheet (Statement of Financial Position)
      - c. Cash Flow Statement (Statement of Cash Flows)
      - d. Organizational Chart (Current Information)
    - 5. Consolidated General and Administrative Expenses
    - 6. Budget Summary
    - 7. Notes to Financial Statements (Royalties by Species)
  - B. Imminent Major Investments
  - C. Other

## 2. ANNUAL REPORT TEMPLATE INSTRUCTIONS

### I. Executive Summary - Public

[Summary of annual activities in a three to five page format. Include a table summarizing commitments made, adherence to these commitments, and future commitments]

### II. Nunavut Benefits Plan Update

A. Progress toward goals, objectives, milestones identified in allocation application. [All milestones will be monitored to ensure that updates are provided]

#### B. Employment Benefits

##### 1. Data Form

<i>Employment Benefits</i>	Fiscal Year			
	NU Residents	Total Wages	Non-NU Residents	Total Wages
Management/Administrative				
Community Liaisons				
Vessel Based				
Plant/Processing Based				
Exploratory Fisheries				
Other Employment				
Internships				
Other				
<b>Total</b>				

##### 2. Summary

- The employment data form should distinguish Nunavut residents from non-Nunavut residents by category of employment.
- The employment data form should not include board members. Board expenses should be included in the General and Administrative Expenses table format found further along in this document.
- For each category above please provide further details on what the numbers in the chart represent. For example, the type of employment, identifying the direct employer, type of duties performed, how employment was derived, physical location of employment, residency of each employee and so on.
- In addition, please identify the vessel and target species for which the individual is employed.
- A summary of the quota holders overall contribution to the Nunavut economy would also be beneficial.

C. Training & R&D Benefits

1. Data Forms

<i>Training Activity</i>	Fiscal Year		
	Description	# Trained	Expenditure
Scholarships			
Direct Fisheries Training			
Staff/Board Training			
Other Training			
<b>Total</b>			

<i>R &amp; D Activity</i>		
Projects	Results	Expenditure

2. Summary

- Training: For each category, provide some description to support the numbers from the chart including specifics such as type of training, the physical location of where it occurred, type of course work, how the training was derived, the community the people were from, etc.
- R&D: For each project, describe the rationale and potential benefits to be derived.

D. Investment Benefits

1. Investments in Fisheries Development: Describe investments in fishing operations and the benefits for Nunavummiut derived from these investments
2. Other Investments: Describe investments/expenditures made outside the fishing industry, the rationale for making these investments and the benefits to be derived for Nunavummiut from these investments.

E. Commitments for Upcoming Season: Summarize the commitments being made for the upcoming fishing season based on employment, training and R&D and investment benefits.

F. Benefits Indicators Summation: Complete benefits tables Appended to document.

### **III. Governance Plan Update**

- A. Progress toward goals, objectives, milestones identified in allocation application. [All milestones will be monitored to ensure that updates are provided]
  
- B. Governance Structure Update
  - 1. Board Activities
    - a. Changes in Members
    - b. Decisions
    - c. Board Meeting Minutes
      - The transcription of board meeting minutes is an important source of information, providing detail on the operations of the organization. You may want to insert them into the confidential section of the report. Include minutes from executive committee meetings.
  - 2. Other Changes in Governance Structure: Any other changes or updates to the governance structure outlined in the Application, rationale for such changes.
  
- C. Governance Plan Update
  - Update on progress in implementation of the governance plan outlined in the Application. What has been done to improve governance, responsible stewardship and openness, transparency and accountability of operations?
  
- D. Commitments for Upcoming Season
  - What commitments are being made on governance issues for the coming season?

### **IV. Stewardship Plan Update**

- A. Progress toward goals, objectives, milestones identified in allocation application. [All milestones will be monitored to ensure that updates are provided]
  
- B. Compliance With Stewardship Guidelines
  - How well is the applicant complying with NWMB's Responsible Stewardship guidelines? Provide detail on compliance or non-compliance with each guideline.
  
- C. Commitments for Upcoming Season
  - What commitments are being made on stewardship issues for the coming season?

### **V. Business Plan Update**

- A. Progress toward goals, objectives, milestones identified in allocation application. [All milestones will be monitored to ensure that updates are provided]
  
- B. Operations Report
  - 1. Harvest Activities by Target Fishery.
    - a. Table of data.

<i>Species Harvested</i>	Fiscal Year		
	Allocation	Metric tonnes harvested	% of allocation harvested
Greenland Halibut			
NAFO Division 0A			
NAFO Division 0B			
NSA			
Northern Shrimp ( <i>P. borealis</i> )			
SFA 1 Commercial			
SFA 2 Exp E of 63°W			
SFA 2 (within the NSA)			
SFA 3 (within the NSA)			
Striped Shrimp ( <i>P. montagui</i> )			
SFA 2 Exp (within the NSA)			
SFA 3 Exp (within the NSA)			
<b>Total Harvest</b>			

b. Summary of Harvesting Activities by Target Fishery.

- A description of the harvesting activities by each target fishery.
- A summary of the harvesting method(s) used.
- Description of vessel(s) used.
- Identify where fish were landed and processed.
- Identify external and internal temporary transfers, the rationale for such transfers, and compliance with Part 9 of the Allocation Policy.
- Provide explanation for any unharvested quota.

2. Compliance

- A detailed report of any interaction with the Department of Fisheries and Oceans or any other regulatory/enforcement agency.
- Include any vessel violations, harvesting violations, illegal activities that occurred on board any harvesting vessel(s), and any other fines or penalties.

3. Other Fishing Issues/Activities

C. Financial Report: Provide summary on financing and financial results from the fishing season.

D. Commitments for Upcoming Season

- What commitments are being made on business issues for the coming season?

## VI. Detailed Financial Information

A. Financial Statements – Allocation Group

1. Consolidated Statement of Activities (One to Two Pages)
2. Consolidated Statement of Financial Position (One to Two Pages)
3. Consolidated Statement of Cash Flows (One to Two Pages)

**APPENDIX C TO THE NWMB ALLOCATION POLICY  
FOR COMMERCIAL MARINE FISHERIES**

May 29<sup>th</sup> 2012, Page 6 of 11

4. **Subsidiary Report – Allocation Group Subsidiaries** [Provide a current narrative summary of all subsidiary, joint-venture, and partnership activities that occurred during the year. The summary information pertains to all investment activity. Financial statements for all subsidiary investments are required. Please note that special circumstances may require the NWMB to request financial information on businesses, projects, and programs that fall beyond the scope of the reporting requirements.]
  - a. Income Statement (Statement of Activities)
  - b. Balance Sheet (Statement of Financial Position)
  - c. Cash Flow Statement (Statement of Cash Flows)
  - d. Organizational Chart
5. **Consolidated General and Administrative Expenses**
  - a. [General and administrative expenses include all expenses charged to the organization and its subsidiaries. General and Administrative Expenses include “program delivery expenses”. The categories listed in the table below are required. Please contact the NWMB if there are any questions.]
  - b. [Please provide the cumulate amounts in the following format:

<b><i>Consolidated General &amp; Administrative Expenses</i></b>	<b>Subsidiary A</b>	<b>Subsidiary B</b>	<b>Program A</b>	<b>Program B</b>
Board Expenses				
Transportation				
Per Diem				
Honorariums/Stipends/Board Fees				
Staff				
Salaries				
Benefits				
Payroll Taxes				
Travel Per Diem				
Staff				
Consultants				
Contract Personnel				
Training				
Staff				
Consultants				
Board members (Tuition)				
Accounting Fees				
Audit Expenses				
Legal Fees				
Other Professional Fees				
Rent				
Utilities				
Office Supplies				
Postage				

Telephone/Internet Fees				
Insurance				
Dues/Subscriptions				
Copying/Printing				
Office Equipment Repair				
Advertising				
Office Equipment Purchase				
<b>Total</b>				

6. Budget Summary

- Include actual versus projected revenues and expenses with a column for the variance.

7. Notes to Financial Statements

- Please provide an annual breakdown of royalties received by species.
- Please make sure the table listed below includes royalties only.
- The table listed below should not include revenues from any other source.
- Please use the following format and the specific species listed in the table below:

<i>Royalties by Species</i>	Royalty Per Metric Tonne	Metric Tonnes Harvested	Total Annual Royalty
<b>Greenland Halibut</b>			
NAFO Division 0A			
NAFO Division 0B			
NSA			
<b>Northern Shrimp (<i>P. borealis</i>)</b>			
SFA 1 Commercial			
SFA 2 Exp E of 63°W			
SFA 2 (within the NSA)			
SFA 3 (within the NSA)			
<b>Striped Shrimp (<i>P. montagui</i>)</b>			
SFA 2 Exp (within the NSA)			
SFA 3 Exp (within the NSA)			
<b>Total</b>			

B. Major Imminent Investments

C. Other

**APPENDIX C TO THE NWMB ALLOCATION POLICY  
FOR COMMERCIAL MARINE FISHERIES**

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**Benefits Indicators Tables**

**Table 1  
Composition Of Fisheries Workforce**

Employment period - fiscal quarter	Point Of Hire of Employees	Residence of Employees	Number of Individuals			Shifts or Hours Worked			Earnings during period		
			Inuit	Not Inuit	Total number during period	Inuit	Not Inuit	Total hours during period	Inuit	Not Inuit	Total payroll during period
2005-Q1	Specific Nunavut community 2	Specific Nunavut community 2									
2005-Q1	Specific Nunavut community 1	Specific Nunavut community 1									
2005-Q1	...	...									
<b>2005-Q1</b>	<b>Nunavut Total</b>	<b>Nunavut Total</b>									
2005-Q1	Newfoundland	Newfoundland									
2005-Q1	Nova Scotia	Nova Scotia									
2005-Q2	Other	Other									
<b>2005-Q2</b>	<b>Atlantic Canada Total</b>	<b>Atlantic Canada Total</b>									
2005-Q2											
<b>2005-Q2</b>	<b>Grand Total</b>	<b>Grand Total</b>									

**Rationale:**  
 The data provided in this table is required in order to understand what proportion of an enterprise's workforce is from Nunavut, both in terms of numbers, as well as in terms of the amount and value of work carried out.  
  
 Inclusion of Quarter (rather than simply year) provides some insight into workforce preferences...

**Table 2 (Option A)**

**Intensity of employment of individuals—shifts (or hours) worked**

Year and quarter	Aboriginal/Non-Aboriginal	Number of individuals working this number of shifts over the year							
		<14	14+	25+	50+	75+	100+	125+	150+
2005-Q1	Nunavummiut								
2005-Q1	Non-Nunavummiut								
2005-Q2	Nunavummiut	First category should be just less than the number of shifts in one full rotation.							
2005-Q2	Non-Nunavummiut								
...	Nunavummiut	The last category should be equal to or greater than the number of shifts that represents a worker working full-time, full-year. We could design the middle categories in any way that makes sense.							
	Non-Nunavummiut								

**Table 2 (Option B)**

**Intensity of employment of individuals—annual earnings**

Year	Aboriginal/Non-Aboriginal	Number of individuals earning this level of fisheries income over the quarter										
		<\$5K	\$5K+	\$15K+	\$25K+	\$35K+	\$45K+	\$55K+	\$65K+	\$75K+	\$85K+	\$100K+
2005-Q1	Nunavummiut											
2005-Q1	Non-Nunavummiut											
2005-Q2	Nunavummiut	Using these increments, we can design categories that preserve confidentiality and are consistent with current employment intensity data I have from Statistics Canada (taxfiler data) for Nunavut.										
2005-Q2	Non-Nunavummiut											
...	Nunavummiut											

**Rationale:**

Data related to intensity of employment is needed in order to understand how Nunavut's fisheries labour force is engaging itself in the sector and to track developmental changes in this labour force.

**Table 3**  
**Employee recruitment, retention and turnover**

Employment period		Unique Employee Designation	Nunavummiut?	Work during period		If hired during period, previous activity	Reason for period-to-period discontinuity—based on follow-up
Year	Quarter	[name]		[Earnings]	[Shifts]		
2005	1		1	YES		UNEMPLOYED	
2005	2	Need a unique identifier that is consistent across vessels.	2	YES	This could be simply "yes" or "no", but an indication of intensity would be better — particularly if employment period is "quarter" or "year"...	NOT IN LABOUR FORCE	FAMILY REASONS
2005	3		3	NO		SCHOOL	MOVE TO ANOTHER VESSEL
2005	4		4	NO		PUBLIC SECTOR	OTHER JOB
2006	1		5	NO		LOCAL PRIVATE SECTOR	SICKNESS
2006	2		6	NO		OTHER FISHING ENTERPRISE	TERMINATION FOR CAUSE
2006	3		7	NO		OTHER PRIVATE SECTOR	
2006	4		8	NO		...	
			9	NO			
			10	YES			
			11	NO			
			12	NO			
			13	NO			
			14	NO			
			15	NO			

**Rationale:**

Some sort of insight into employee retention and turnover is needed in order to understand development of the Nunavut fisheries labour force. This should be developed in relation to the entire Arctic fisheries labour force, so data for both Nunavummiut and Atlantic etc employees is needed.

**APPENDIX D TO THE NUNAVUT WILDLIFE MANAGEMENT BOARD  
ALLOCATION POLICY FOR COMMERCIAL MARINE FISHERIES:  
EVALUATION FORM FOR THE ALLOCATION GUIDELINES**

**1. Governance and Business Capacity (30 points):**

**Open, transparent and accountable operations:**

**Demonstrate proper board and governance structure in place – 3 points**

*Score*            1        2        3

**Demonstrate holding of a reasonable number of regular board and shareholder meetings, the regular and ongoing sharing of information with shareholders and the receipt and consideration of input from the board/shareholders in corporate decision making – 7 points**

*Score*            1        2        3        4        5        6        7

**Viable commercial venture:**

**Demonstrate profitability of enterprise/business – 4 points**

*Score*            1        2        3        4

**Demonstrate adherence to and achievement of business plan goals and objectives – 8 points**

*Score*            1        2        3        4        5        6        7        8

**Positive history in the fishery:**

**Demonstrate history of compliance with license conditions, fisheries regulations, and the *Mandatory Requirements for Responsible Stewardship* – 4 points**

*Score*            1        2        3        4

**Demonstrate collaboration with other industry participants to benefit the industry and maximize benefits to Nunavut – 4 points**

*Score*            1        2        3        4

**2. Inuit Involvement (40 points):**

**RWO/HTO/Nunavut Community ownership/sponsorship of the economic enterprise:**

**Demonstrate ownership/sponsorship by one or more RWOs, HTOs or Nunavut Communities – 8 points**

*Score*            1        2        3        4        5        6        7        8

**Inuit ownership of the economic enterprise:**

**Demonstrate level of Inuit ownership – 13 points**

*Score*            1        2        3        4        5        6        7        8        9        10  
                         11       12       13

**Adjacency of the community(ies) to the fishing area:**

**Demonstrate adjacency of community(ies) to the fishing resource – 11 points**

*Score*            1        2        3        4        5        6        7        8        9        10  
                         11

**Economic dependence of the community(ies) on the resource:**

**Demonstrate the degree of economic dependence by the community(ies) – 8 points**

*Score*            1        2        3        4        5        6        7        8

**3. Benefits to Nunavummiut (30 points):**

**Employment of Nunavummiut, especially Inuit:**

**Demonstrate Inuit employment as total number of Inuit employees, total Inuit employment expense, and percentage of overall employment expenses – 10 points**

*Score*            1        2        3        4        5        6        7        8        9        10

**Demonstrate total Nunavummiut employment as total number of Nunavut employees, total Nunavut employment expense, and percentage of overall employment expenses – 3 points**

*Score*            1        2        3

**Demonstrate improvements made in Inuit and Nunavummiut employment – 5 points**

*Score*            1        2        3        4        5

**Ownership of the economic enterprise and/or the vessel(s) by one or more residents of Nunavut:**

**Demonstrate ownership of enterprise and assets by residents of Nunavut – 5 points**

*Score*            1        2        3        4        5

**The provision of other direct benefits to Nunavut:**

**Demonstrate other direct economic benefits provided to Nunavut owner(s)/community(ies)/industry(ies), in total dollars and percentage of total revenues – 7 points**

*Score*            1        2        3        4        5        6        7