

# Nunatsiavut Government's Commercial Fishery Designation Policy

Department of Lands and Natural Resources

**Effective Date:**

**November 15<sup>th</sup>, 2021**

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## Introduction:

Under the Labrador Inuit Land Claims Agreement (LILCA), Labrador Inuit have the right to fish year-round for food and for social or ceremonial purposes within the Labrador Inuit Settlement Area (LISA) (excluding salmon).<sup>1</sup> Labrador Inuit historically fished commercially for cod, salmon, Arctic char, and seals, but have expanded into fishing snow crab, scallops, shrimp, and Greenland halibut (turbot). Commercial fisheries access for Beneficiaries is determined by licenses and allocations by the Government of Canada.

The *Commercial Fishery Designation Policy* covers the Nunatsiavut Government's licenses and allocations for groundfish, snow crab, shrimp, and turbot. The Nunatsiavut Government's Minister of the Department Lands and Natural Resources (the Minister) retains the discretion to manage the commercial Arctic char and scallop fisheries. The LILCA permits the Nunatsiavut Government to determine who may harvest fish under its commercial fishing licenses. The Nunatsiavut Government is a communal-commercial license holder with quota for several marine species (Schedule A). Communal-commercial licenses are issued by the Minister of Fisheries, Oceans and the Canadian Coast Guard to Indigenous organizations and governments. These licenses and allocations can be designated to members for commercial use.

The principle of the *Commercial Fishery Designation Policy* is to maximize economic development in the LISA through the commercial fishery. Given the isolation of communities in the LISA, it is significantly more difficult for residents of the LISA to access opportunities for education and training than those living outside the LISA. The commercial fishery is thus one of the most viable options for employment and economic opportunities in the LISA. In accordance with the *Labrador Inuit Tax Treatment Agreement*, the Nunatsiavut Government receives 95 percent federal tax rebates for employed individuals resident in the LISA. By maximizing employment of Beneficiaries living in the LISA, the Nunatsiavut Government maximizes benefits of the *Labrador Inuit Tax Treatment Agreement*. With greater income to the Nunatsiavut Government, there is more money to support programs that benefit all Beneficiaries. Although in this policy Beneficiaries resident in the LISA are given preference over those not resident in the LISA, Beneficiaries not resident in the LISA are still given preference over non-Beneficiaries.

The Nunatsiavut Government's Department of Lands and Natural Resources (DLNR) is mandated to sustainably manage and develop land and natural resources within its jurisdiction. This maximizes benefits to Labrador Inuit. The Renewable Resources Division of the DLNR administers the delegation of Nunatsiavut's commercial fisheries licenses, allocations and quotas ("Designations") to Beneficiaries.

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<sup>1</sup> This policy does not in any way regulate or interfere with LILCA Section 13.4, Inuit Domestic Fishery.

In 2010, following consultations with the Beneficiaries, the DLNR developed the Nunatsiavut Government's *Commercial Fishery Designation Policy (2012)* to inform this process. The policy went into effect on May 4, 2012. *Designation Policy (2012)* limited the term of Designations to one (1) year. In early 2015, the Nunatsiavut Government commissioned TriNav Fisheries Consultants Inc. (TFC) to investigate and report on the possibility of multiyear terms. Following review of that report, in July 2017, the Nunatsiavut Government's Executive Council unanimously carried a resolution to revise the *Designation Policy (2012)* to permit multiyear allocations, as recommended by TFC's *Report on Development of a Multiyear Allocation Policy (2018)* as well as the goals outlined in the resolution. What follows is the Nunatsiavut Government's *Commercial Fishery Designation Policy (2020)* which has revised the 2012 policy in line with the direction given by the Nunatsiavut Government's Executive Council (NEC).

## Purpose:

The Nunatsiavut Government's *Commercial Fishery Designation Policy* (the Designation Policy) is intended to establish an open, transparent, and fair process to determine Beneficiary access and allocations ("Designations") to Nunatsiavut's communal-commercial fishing licenses. The Designation Policy links continued access to Multiyear Designations to the development and achievement of business plans.

The Designation Policy was developed in accordance with a resolution made by the Nunatsiavut Executive Council's calling for the development of a Multiyear Allocation Policy for the Nunatsiavut commercial fishery. The goal of the resolution and policy was that within 15 years of the Designation Policy's effective date on November 15<sup>th</sup>, 2021 100 percent of the Nunatsiavut Government's commercial-fishing Designations will be harvested by registered vessels owned by Beneficiaries resident in Nunatsiavut.<sup>2</sup> In order to reach that goal, the Nunatsiavut Government will support the longer-term business planning of Beneficiaries by extending Designation terms to a maximum period of five years as well as permit these Designations to be awarded for two or more species.

## General Authority & Accountability:

The Nunatsiavut Government's Minister of Lands and Natural Resources (the Minister) shall be responsible for the implementation of the Designation Policy and shall retain complete discretion to allocate the Nunatsiavut Government's commercial-fishing Designations. The Department of Lands and Natural Resources (DLNR) will be responsible for its administration.

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<sup>2</sup> A registered-vessel owner is considered someone whose vessel is registered in their name with both Transport Canada and Fisheries and Oceans Canada (DFO).

## Definitions & Acronyms:

<b>Term or Acronym</b>	<b>Definition</b>
Annual Report	A report prepared by Designates following each fishing season. The Annual Report is used by the Fishery Review Committee to assess the Designate's progress towards his/her Harvesting, Business and Benefits Plans
Applicant	An individual (whether an Eligible Individual or not) who has submitted an application as part of the Designation process
Application	The complete package of information required to evaluate the request for Designation. A template is provided in Schedule C
Benefits Plan	A section of the application that outlines the anticipated benefits from receiving a Designation
Beneficiary	As defined in the Labrador Inuit Land Claims Agreement
Business Plan	A section of the application that details the financial projections that will result from receiving the requested Designation
Cooperative Arrangement	Any agreement where the Designate will fish his/her Designation on a vessel owned by another individual (who is not necessarily a Beneficiary) and will also fish the vessel owners quota
Designate	An Eligible Individual who holds a valid Designation
Designation	Refers to the terms and conditions of fishing as designated under the authority of the Director of Renewable Resources of the Nunatsiavut Government. It includes quotas, specific fishing zones and other license conditions under which the Designate agrees to fish
Designation Agreement	An agreement between the Designate and the Nunatsiavut Government that sets out the terms and conditions applicable to their Designation
DFO	Fisheries and Oceans Canada
DLNR	Department of Lands and Natural Resources

<b>Term or Acronym</b>	<b>Definition</b>
Eligible Individual	An individual that meets the minimum eligibility criteria for Designation as established in this policy
FRC	Fishery Review Committee
Full-Time Harvester	An individual whose primary source of income is from the fishery
Harvesting Plan	A section of the application that details how, when, and where a Designate will fish their requested Designation
Family	Usually refers to: the Designate's spouse; the Designate's mother and father (and/or their spouses and/or common-law partners) or their legal guardians; the Designate's child, stepchild, foster child, grandchild, sister, brother (or stepbrother, stepsister), grandfather and grandmother (and their spouse or common-law partner); the Designate's aunts, uncles, nieces, nephews, first cousins, daughters-in-law, sons-in-law, sisters-in-law, brothers-in-law, grandmothers-in-law, grandfathers-in-law or any person who is related through a long-time, close affinity to the Designate's kin
Joint Venture/Shareholder Arrangement	A notarized financial arrangement where the Designate owns a majority share of the vessel agreement for the vessel and will be present while fishing their Designation on said vessel
Lease-to-Own	A notarized financial arrangement where a payee makes regular payments over a set period of time to a vessel owner. At the end of the term of the financial arrangement the payee becomes the vessel owner
License	As defined by Fisheries and Oceans Canada
LILCA	Labrador Inuit Land Claims Agreement
LISA	Labrador Inuit Settlement Area
Medical Cause	A serious illness, injury or death to the Designate or to members of the Designate's family that requires the Designate to make alternative arrangements to harvest the Designation
NAFO	Northwest Atlantic Fisheries Organization

Northern Labrador Core	As defined by Fisheries and Oceans Canada
Quota Reconciliation	The reconciliation of a quota to compensate for an overrun in the previous year
TAC	Total allowable catch



## Composition & Role of the Fishery Review Committee:

Since its inception, the Nunatsiavut Government has regulated and managed its commercial fishery assets through the Department of Lands and Natural Resources (DLNR)'s Renewable Resource Division. Thus, there is considerable expertise within the Renewable Resources Division regarding resource development and management of fisheries allocations.

The process of openly, transparently, and fairly allocating Multiyear Designations to maximize the benefits from the fisheries for Nunatsiavut's Beneficiaries is complex. It is critical that those who evaluate applications for Designations have expertise in Nunatsiavut's fisheries from multiple perspectives including business planning and vessel ownership, as well as the challenges of residents in the Labrador Inuit Settlement Area (LISA) accessing meaningful employment and socio-economic development. Since Nunatsiavut is a small region ensuring independence of evaluations to avoid bias and thereby avoiding nepotism is also crucial.

Consequently, the Fishery Review Committee (FRC) was convened by the DLNR to advise the Minister and the Deputy Minister of the DLNR on the allocation of Designations for multiyear and/or annual terms.<sup>3</sup>

The FRC will be composed of at least five members:

- The Director of Renewable Resources, the Fisheries Clerk, and the Fisheries Specialist, appointed by the Deputy Minister;
- The General Manager and the Assistant General Manager of Torngat Fish Producers Co-op;
- At the discretion of the Deputy Minister, an independent member with recognized industry expertise in fisheries, business planning, and/or socio-economic development.

The role of the FRC is to review applications and provide advice on the allocation of Nunatsiavut's Designations to the Deputy Minister. However, the Minister retains the authority to allocate Designations at her/his discretion. The FRC's advice shall be:

1. Prepared and delivered in accordance with the FRC's Terms of Reference (attached as Schedule B);
2. Developed in accordance with the guidelines described in the Designation Policy and its associated schedules;

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<sup>3</sup> Any committee member who is not employed by the Nunatsiavut Government will be paid rates as per those set out for members of boards and committees in the Implementation Plan of the Labrador Inuit Land Claims Agreement.

3. Subject to the transparency and disclosure requirements of the Designation Policy.

As the persons designated to review and evaluate each application for Designations, the FRC members will have access to confidential business and financial information. Each member of the FRC is therefore under a legal obligation to keep such materials and information strictly confidential, both during and after her/his term as a member of the FRC. Any FRC member who breaks the confidentiality of an application could face legal action and/or be removed his/her position by the Minister.

## Principles Guiding Commercial Fishery Designations:

Based on the values of the Labrador Inuit and the Nunatsiavut Government, the following principles were developed to guide the Department of Lands and Natural Resources (DLNR) and Fishery Review Committee (FRC) in the allocation of Nunatsiavut's commercial-fisheries resources. These principles shape the evaluation guidelines of the applications and Annual Reports.

1. The fisheries are broadly recognized as a renewable resource that can help build a sustainable economy for the benefit of Labrador Inuit.
2. As a renewable resource and valuable common property, the allocation of fisheries access must be conducted openly, transparently, and fairly.
3. By providing access to Nunatsiavut's fisheries by awarding communal-commercial fishing licenses, the primary goal is to maximize employment for Beneficiaries resident within the Labrador Inuit Settlement Area (LISA). A secondary consideration is the employment of Beneficiaries who are not resident in the LISA. In the categories listed below, those who maximize employment within the LISA will be ranked higher.<sup>4</sup> The other considerations are ranked as follows:
  - a. Beneficiaries who are registered-vessel owners and are resident in the LISA.
  - b. Beneficiaries resident in the LISA who are fishers, plan to become vessel owners, and have instead entered into a Cooperative Arrangement or Lease-to-Own Arrangement.
  - c. Beneficiaries who are vessel owners but are not resident in the LISA.<sup>5</sup>
  - d. Beneficiaries who are not resident in the LISA and are not vessel owners.<sup>6</sup>
4. In the categories above, applications will be grouped into either Multiyear or Annual Designations. Multiyear Designations will be prioritized to encourage business planning and help ensure the return on investment for vessel owners. In allocating Nunatsiavut's communal-commercial fishing licenses there is a need to give special consideration to enterprises that create employment

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<sup>4</sup> For example, in cases where two Applicants within a given category have employed the same number of Beneficiaries resident within the LISA, the tie should be broken by considering which Applicant will employ the most Beneficiaries who are not LISA residents.

<sup>5</sup> In the 2016 NEC resolution "Development of a Multi-Year Allocation Policy for Nunatsiavut Commercial Fishery" by Minister Shiwak, the first priority was "Vessel owners who are Beneficiaries resident in the Labrador Inuit Settlement Area" as is the same in a); the third priority in the resolution by Minister Shiwak was "Vessel owners who are Beneficiaries" which given the priority of the first implies they are not resident in the LISA.

<sup>6</sup> We added this but believe it stems from the same principles as those in the "Development of a Multi-Year Allocation Policy for Nunatsiavut Commercial Fishery" (NEC) there are Beneficiaries with Annual Designations not resident in the LISA.

opportunities for other Beneficiaries, and/or other benefits to Beneficiaries, and/or to Nunatsiavut as a whole.

5. In allocating Nunatsiavut's communal-commercial fishing licenses there is a need to give special consideration to economically viable fishing enterprises and Beneficiaries that have a successful and verifiable history in a particular fishery.

At the end of each Multiyear Cycle, the efficacy of this policy will be reviewed by the DLNR.

## Commercial Fishery Designation Process:

The commercial fishery Designation process has two components: 1) the application and allocation of Designations, and 2) harvesting and annual reporting. Designations will be granted for a maximum period of five years. Applications for annual allocations can also be made but will only be allocated after the consideration of multiyear applications.

### Applications for Multiyear Designations:

After the Director issues a Call for Applications no later than January 15<sup>7</sup> of Year 1 of the Designation process, those interested in applying for a Designation shall apply to the Director. Applications to the Director will be due no later than February 28. The applications will then be reviewed by the Fishery Review Committee (FRC) and a decision on the allocation of the Designations will be made no later than April 30. A timeline of the sequence of events is provided in the subsection "Application Timeline".

The application process has developed since the Nunatsiavut Government's former *Commercial Fishery Designation Policy* (effective date May 4, 2012). The application process now involves a three-stage review. Applicants must successfully meet the minimum criteria of each stage to progress to the next. These three steps are:

1. Determining whether the Applicant is an Eligible Individual
2. Evaluation and scoring of the Eligible Individual's application
3. Ranking of scored applications and allocation of Designations

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<sup>7</sup> All dates in timelines associated with the Designation process should be understood as that date or the closest business day, except in exceptional circumstances. In such cases, all effort will be made to return the reports as soon as possible.

Multiyear applications will be prioritized over annual applications as the goal of the Designation Policy is to encourage multiyear planning and vessel ownership. Applications for annual allocations will follow the same procedure as the multiyear applications.

#### Eligibility Criteria:

Consideration for access to Designations shall be given to individuals who meet the following eligibility criteria:

1. Is a Beneficiary of the Labrador Inuit Land Claims Agreement (minimum 18-years old);
2. Holds a Professional Fish Harvester Level II Certification, and/or holds a Northern Labrador Core Status or has established a plan with the Director of Renewable Resources to pursue a Professional Fish Harvester Level II Certification;
3. Has not had a Designation revoked by the Director of Renewable Resources within the past two years<sup>8</sup>; and,
4. Has provided an approved Medical Certificate of Seafarer Fitness in accordance with established standards, if applicable.<sup>9</sup>

Determination of eligibility shall be made by the FRC as the first stage of their evaluation. Applicants who do not meet all of the above criteria will not progress to the next stage of the application process. A representative of the Department of Lands and Natural Resources (DLNR) will notify unsuccessful applicants when the Designation decisions are released including an explanation of the criteria not met. This decision will not be subject to appeal. However, unsuccessful applicants can reapply during subsequent Calls for Applications.

#### Evaluation Guidelines:

Applicants deemed to be Eligible Individuals by the FRC will proceed to the next stage of the allocation process. The FRC will review and independently score eligible applications. Next, the FRC will meet (either in person or via teleconference) to compare and discuss the scores for each application. A final score will be determined by consensus within the FRC.<sup>10</sup>

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<sup>8</sup> For greater clarity, Applicants should not be deemed ineligible if they have been subject to reductions in their Designation in the past. This criterion should only apply if the entire Designation was cancelled.

<sup>9</sup> Certification of seafarer fitness is required if the Applicant requested an internal-temporary transfer at any time during their previous Designation for a serious illness or injury experienced by the Designate. See “Transfers for Medical Cause” section for more detail.

<sup>10</sup> This may be the average of the five scores, or some other method as deemed appropriate by the FRC at the time. The method used will be justified by the FRC in writing to the Deputy Minister.

A template of the required application (including descriptions of each section) is provided in Schedule C. Each application will include the following sections:

1. Application Form
2. Fishing Experience and Past Performance
3. Harvesting Plan
4. Business Plan
5. Benefits Plan

To ensure that the allocation process is open, transparent, and fair, each application will be evaluated in accordance with the five categories.

The five categories are identified below. The assessed metrics of each category, including the objectives, definitions, and detailed scoring guide are provided in Schedule D.

1. Experience – maximum score is 20 across three metrics
2. Benefits to Nunatsiavut – maximum score is 32 across three metrics
3. Structure – maximum score is 100 across one metric
4. Business Plan – maximum score is 34 across eight metrics
5. Past Performance – maximum score is 14 across two metrics

If the FRC requires a minor clarification on a particular application, they will reach out to the Director as early in the process as possible; clarification should be asked no later than March 20 (or the closest business day).<sup>11</sup> The Director will contact the Applicant with the request for clarification from the FRC. Once received, the Applicant will be given five (5) business days to respond, and said response shall be immediately forwarded to all FRC members by the Director. The Applicant's response shall be considered part of the application and must be considered by each member of the FRC.

Determining Designations:

Once all eligible applications have been assigned their final scores by the FRC, they will be ranked in order of descending score. In other words, the application that received the highest grade will be ranked first, the next highest mark is ranked second and so on, until all applications have been ranked. In the event of a tie, the FRC will rank the tied applications in order of the following residency priorities. Within the

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<sup>11</sup> Clarifications should be as minor as possible, such as in cases of technical information. Applications with substantive gaps are discouraged and are unlikely to result in a successful Designation.

categories outlined below, the DLNR and FRC will prioritize Applicants who maximize employment for Beneficiaries resident within the Labrador Inuit Settlement Area (LISA), then Beneficiaries who are not resident in the LISA:

1. Vessel owners who are Beneficiaries resident in the LISA;
2. Beneficiaries who are resident in the LISA who are not vessel owners, but who have instead entered into a Cooperative Arrangement for the purpose of fishing their requested Designation;
3. Vessel owners who are Beneficiaries, but are not resident in the LISA; and
4. Beneficiaries who are not resident in the LISA and are not vessel owners.

In the event that the tied score is between two or more Applicants with the same residency, the Applicants will be equally ranked, and the Minister may allocate Designations at their discretion. In the categories above, applications will be grouped into either Multiyear or Annual Designations. Multiyear Designations will be prioritized to encourage business planning and ensure the return on investment for vessel owners.

Once all Applicants have been ranked, the FRC will begin to award Designations in the order in which they were ranked. Therefore, the highest-scoring application will be awarded the first Designation. It is recommended, though not required, that the FRC award Designations that are the same or similar to the Applicant's requested quota quantities, species, and locations to ensure the Applicant's Business and Harvesting Plans remain viable. For lower-ranked applications, where such quotas or species may no longer be available, the FRC will recommend Designations using their best judgment for the Minister's consideration.

Note that the FRC is expected to award Designations in accordance with the principles detailed in this policy. There is a limited amount of profit to be made in commercial fishing. The approach of this policy is that it is better to allocate Designations sufficient to support a smaller number of Beneficiary-owned-and-operated enterprises than to parcel out smaller Designations to many Joint Venture/Shareholder Arrangements because to designate so many smaller operations would make it impossible for vessel owners to have sufficient profits to support their business investments.

Once the FRC has formulated its recommendations for Designations, they will forward the following to the Deputy Minister:

1. Final scores of each Applicant, including relevant notes or comments
2. Ranking of all Applicants
3. Recommendations for Designations, including rationale for each allocation



The Deputy Minister can comment on the decisions by the FRC and will pass these recommendations to the Minister for final approval.

#### Communicating Designations:

Once the Minister has reviewed and approved the FRC's Designations, these decisions shall be communicated to all Applicants in writing. The Designation decisions should be made publicly available in a general letter to Applicants; however, the final scores of each Applicant, the FRC's evaluation comments, and the rationale for their Designation should be communicated to each Applicant confidentially in an appendix attached to the general letter. Applicants deemed ineligible will receive a confidential explanation of which criterion (or criteria) they did not meet and the notice of Designations.

Designation decisions will be considered tentative until the Designate delivers to the Director the following:

1. A signed copy of the Agreement, indicating consent of all conditions and requirements as set out by DFO and the Nunatsiavut Government.
2. Proof of harvesting capacity, which shall be defined as:
  - a. Proof of vessel ownership or intent to purchase (such as the Purchase and Sale Agreement, bill of sale, vessel insurance, or financing agreement);
  - b. Proof of lease or Cooperative Arrangement.

These documents must be provided to the Director by the Designate no later than May 15 (or the closest business day). Upon receipt of these documents, the Director will formally assign the Designation to the Designate for the duration of their awarded Designation. Failure to comply will result in the revocation and reallocation of the Designation to other Applicants and/or Designates at the Minister's discretion.

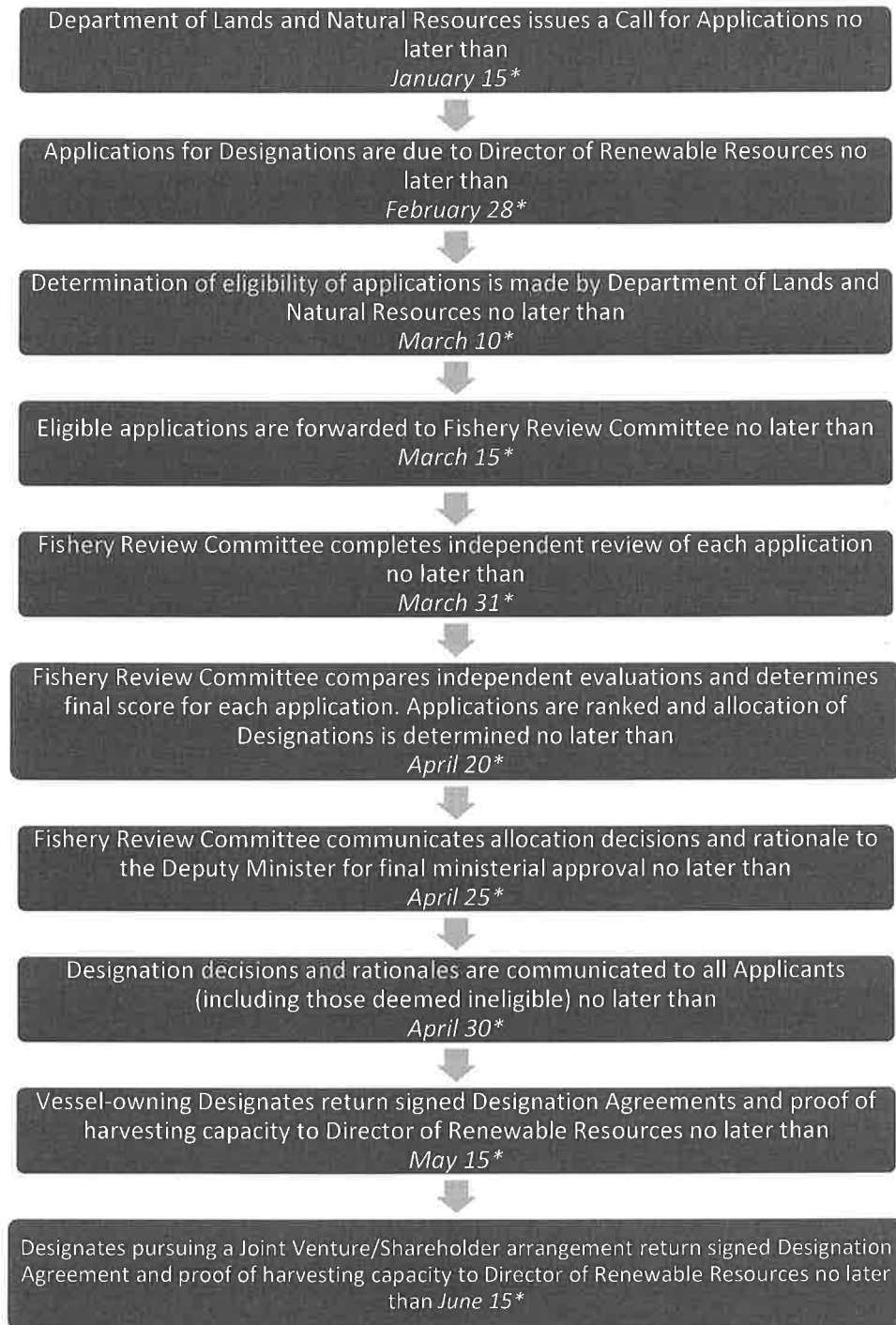
3. In cases where Designates are pursuing a Shareholding,<sup>12</sup> Lease, or Cooperative Arrangement:
  - a. Proof of a venture (such as the contract from the vessel owner, or lease of the vessel, terms of Shareholding Arrangement);
  - b. Letter(s) of commitment or contract from the vessel owner to jointly harvest the Designation with the Designate in a Cooperative Arrangement.

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<sup>12</sup> Only Shareholding ventures where one or more Beneficiary is at 51 percent minimum shareholder will be considered.

Deadlines for these arrangements will be June 15 (or the closest business day). If these Joint Venture/Shareholder Arrangements change over the course of the season, Designates will notify the DLNR as soon as possible. Successful Applicants (i.e. Designates) shall also receive a Designation Agreement (Agreement) that sets out the license conditions and requirements as determined by DFO and the Nunatsiavut Government.

Application Timeline:



\*Or the closest business day, except in exceptional circumstances. In such cases, all effort will be made to return the reports as soon as possible.

Designations in Non-Application Years:

Multiyear and Annual Designations:

The Designation Policy is designed to prioritize Multiyear Designations because Multiyear Designations promote sustainable business planning which is necessary for vessel ownership. As many Designations as is possible will be allocated for a period of five-calendar years to improve the ability for vessel owners and those wishing to become vessel owners in the LISA to make competitive business plans. Vessel ownership is being prioritized in the LISA because of limited opportunities for economic development in the region and the benefits to the Nunatsiavut Government (and therefore its constituents) to maximize the *Labrador Inuit Tax Treatment Agreement*. As more LISA-resident Beneficiaries begin to own vessels they will need large Designations to make those fishing enterprises sustainable, therefore over time Annual Designations will become less frequent because the majority of quotas and allocations will be designated to vessel-owning LISA-resident Beneficiaries. The year in which the Call for Applications is issued for Multiyear Designations will be considered Year 1 of the Designation Cycle. In Years 2 to 5, Multiyear Designates are expected to harvest their Designations in accordance with their Harvesting and Business Plans as outlined in the application. All Designates will also complete an Annual Report which will be used to inform future applications (both Annual and Multiyear Designations). For all years of the Designation, Designates are expected to comply with the terms and conditions of the Designation Agreement.

Annual Designations may still be acquired in Years 2 to 5 of the Multiyear Cycle but may only be awarded in cases where the Nunatsiavut Government has acquired new fisheries access, or where additional quotas have not yet been allocated, or where a Designation was revoked.

Annual Reporting:

To ensure accountability, all Designates (both Annual and Multiyear) shall provide to the Director an Annual Report. To facilitate this process, the DLNR shall send out a letter to all Designates no later than November 30 of each year (or the closest business day). This letter will remind Designates that the Annual Reports are due no later than January 31. For Multiyear Designations, following completion of Year 5, a final Annual Report for Year 5 shall be included as part of the subsequent application. If the Designate does not intend to submit an application after the final year of their Designation, a final Annual Report shall be provided no later than January 31 of the year immediately following the conclusion of the Multiyear Designation.

Once received, the DLNR will forward the Annual Reports to the FRC no later than February 15. The FRC will assess the reports and provide a grade for each report in writing to the Deputy Minister no later than April 15. The Deputy Minister will review and approve (if appropriate) the FRC's comments and grades and communicate these to the Minister. At this time, the Deputy Minister shall also communicate the content of each of the assessments to the Designates. Communications will be done confidentially and in writing to each Designate no later than April 30, as is noted in the "Communicating Designations" section.

The purpose of the Annual Reports is to assess the extent to which Designates are meeting the commitments made in their Harvesting and Business Plans. The intent of the annual reporting process is to determine whether the broad goals are being met and/or exceeded, and to ensure that the benefits of the Designations are maximized. A template of the Annual Report is provided in Schedule F.

The Fishery Review Committee (FRC) will consider the following metrics when they assess each Annual Report (definitions are provided in Schedule G):

1. Quantity of Designation harvested,
2. Number of Beneficiaries resident in the LISA employed,
3. Number of Beneficiaries not resident in the LISA employed,
4. Profits generated,
5. Repayment of debt or Joint Venture/Shareholder Arrangement terms met,
6. Other benefits.

Based on the FRC's assessment, a grade will be assigned to each Annual Report. The grades are as follows (and are more fully described in Schedule G):

1. Exceeds expectations
2. Meets expectations
3. Acceptable
4. Needs improvement
5. Unsatisfactory

For Annual Reports receiving the grades of "Needs Improvement" or "Unsatisfactory", the FRC will provide to the Deputy Minister a written explanation of where the FRC's concerns lie, as well as a clear description of what improvements are required in the coming year. It is expected that these improvement guidelines will be appropriate to the situation, clear in their intent, and designed to be achievable for the Designate. However, repeated poor performance may result in reductions, revocation, or rejection of future applications (see "Reducing or Revoking Designations" section for more detail).

The FRC recognizes that the Harvesting, Business, and/or Benefits Plans of the Designate, after receiving a Designation, may require adjusting from what was stated in the original application. In cases where the Designation received by the Applicant differs significantly from what the Applicant requested, it may

require a different Business Plan than originally intended so changes to the Business Plan would be understood by the FRC as necessary. Likewise, as a Multiyear Designation progresses, the Designate may also identify alternative opportunities for operating their enterprise. In both instances, a description of those changes to the Harvesting, Business, and/or Benefits Plans and their anticipated impacts on the relevant goals, commitments, or projections should be noted and explained in the Annual Report. The FRC will consider such modifications and factor them into their evaluations. The FRC will consider the Annual Report grades in future applications. They fall under the metric “Adherence to previous Business Plan”.

Transfer of Designations:

Transfers of Designations are not permitted under the Designation Policy. In the event that a Designate is unable to harvest their full Designation in a fishing season due to unexpected circumstances (e.g., mechanical troubles, loss of gear, reduction in harvesting capacity, poor weather, medical challenges), the Designate will respectfully notify the Director at the earliest possible opportunity. This notification will allow the Director time to reallocate the uncaught quota to another Designate within the same fishing season. With the consent of the Minister, the quota shall be reallocated by the Director.

When a Designate becomes aware that a portion of their quota is unable to be caught, she/he must explain the circumstances that led to the situation when they notify the Director. Failure to notify the Director could result in a decrease in quota for the next fishing season by the total amount lost, or rejection of future applications. Such sanctions would be applied particularly in instances where the Designate could reasonably foresee that they would be unable to catch their quota, and could have notified the Director in time for it to be redistributed to another Designate if the cause was outside the Designate’s reasonable control, and the Director is notified in a timely manner, she/he shall not be subject to a reduction in Designation equivalent to the uncaught amount and will be able to catch the full Designation in the remaining years of the Multiyear Cycle provided the situation has been resolved.

Permissible causes for uncaught quota include:

- Medical cause (defined below)
- Major mechanical failure of the vessel (not due to poor maintenance practices)
- Loss of the vessel (e.g., by sinking that is not due to negligence)
- Other circumstances deemed acceptable by the Director

If the quota in the Designation was uncaught due to poor planning, negligence, irresponsible fishing, or poor business practices (e.g., failure to regularly maintain a vessel), the quota in the Designation will be

reduced by the amount of uncaught quota in the following year of the Multiyear Cycle. If an Annual Designation is left uncaught it will be reduced by that amount in the quota for the following year. This uncaught portion as outlined in the Designation may be reallocated to another Designate by the Director with the Minister's discretion.

The permanent transfer of all or part of a Designation (i.e. sale of quota) is prohibited under this policy. For all Designations, ownership of the licenses, allocations, and quotas are retained by the Nunatsiavut Government.

#### *Transfers for Medical Cause*

In the event that a Designate is unable to catch their Designation due to a medical cause, this reason must be identified to the Director when requesting the transfer. Medical cause is defined as:

- a. A serious illness or injury to the Designate; or
- b. A serious illness, injury, or death of a member of the Designate's family. (See Definitions and Acronyms above.)

If a medical cause-based transfer occurred because it was the Designate who was seriously ill or injured, the Designate must provide or arrange for an approved Medical Certificate of Seafarer Fitness in accordance with established standards as part of the Annual Report following the transfer. If no such certificate is provided, a Designation may be revoked (see "Reducing or Revoking Designations" section for more detail). In addition, if the Designate reapplies for a Designation in the following cycle, the approved Medical Certificate of Seafarer Fitness must also be included as part of the application in order to be deemed an Eligible Individual. For instances of serious illness, injury, or death of a member of the Designate's family a Medical Certificate of Seafarer Fitness is not required.

Allocation Overruns:

#### *Multiyear Designates*

In the event the Designate exceeds their Designation in a fishing season, the amount of the overrun shall be deducted from the Designate's specified annual limit for the coming year. If the overrun occurs in Year 5, the quota adjustment will be made to the Designate's following Designation. If the Designate does not receive a Designation in the following Multiyear Cycle, or leaves the fishery, the Designate shall be subject to a financial penalty equal to the landed value of that overrun. Furthermore, the adjustment must be

made from Nunatsiavut's full pool of Designations before the Designation decisions are made. The amount of the adjustment may then be allocated at the Minister's discretion.

*Annual Designates*

In the case of Annual Designations, overrun would be reconciled in future quotas. In the case where the Designate does return to the fishery, the Designate shall be subject to a financial penalty equal to the landed value of that overrun.

Revoking or Reducing a Designation:

With the consent of the Minister, the Director shall reduce the quantity of a Designation if the Designate:

1. Fails to provide a complete Annual Report after a fishing season as required under the Designation Agreement;
2. Fails to meet the written expectations of the FRC in the subsequent fishing season following receipt of a "Needs Improvement" or "Unsatisfactory" grade of the Annual Report; or,
3. Fails to fish as per the conditions and requirements established in the Designation Agreement.

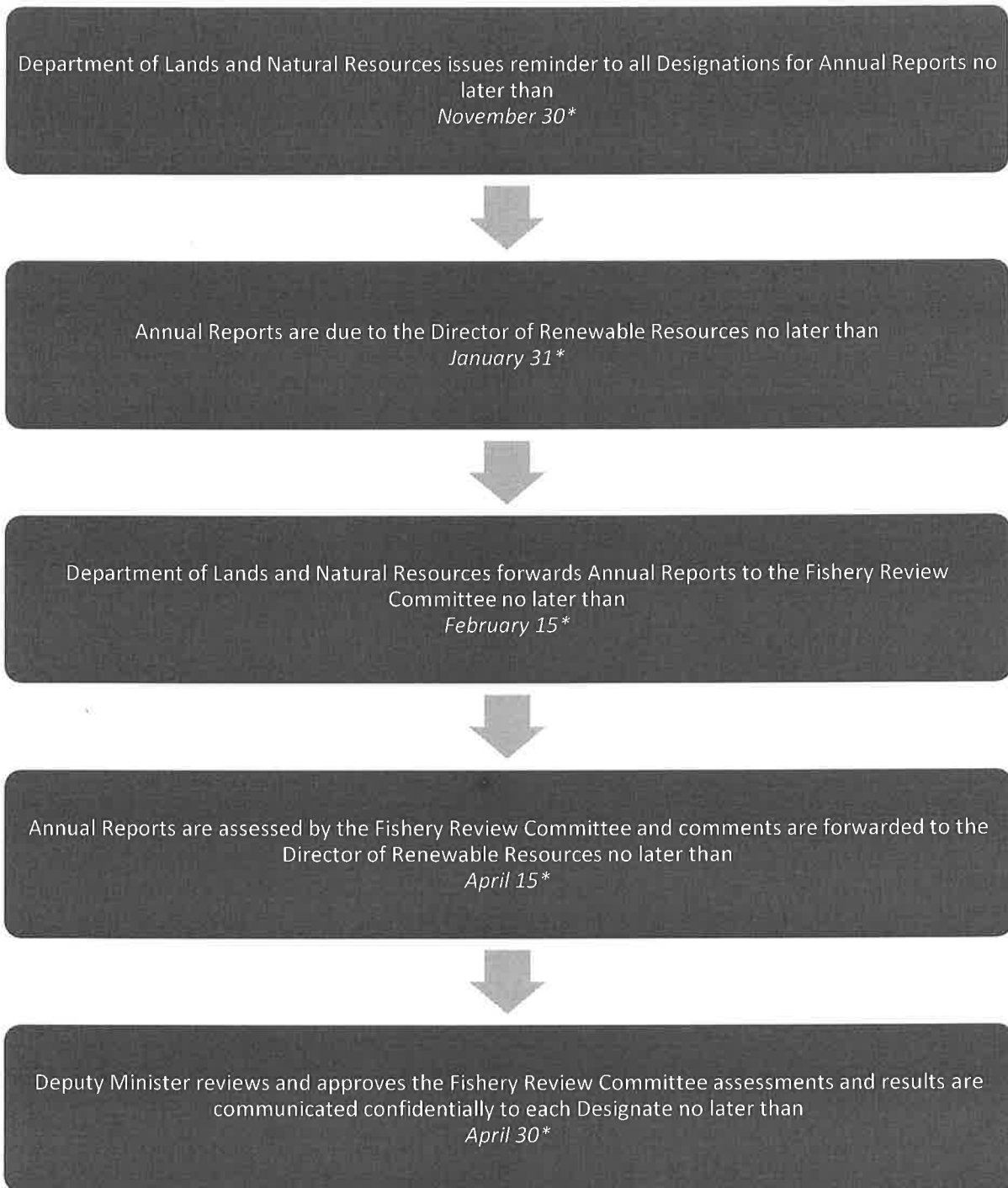
With the consent of the Minister, the Director shall revoke a Designation if the Designate:

1. Fails in two consecutive years to provide a complete Annual Report after each fishing season;
2. Fails to harvest the entire allocation (or have it transferred early enough to allow another individual to harvest the allocation) without the prior approval of the Director for two or more fishing seasons;
3. Fails to comply with federal regulatory requirements and consequently is convicted of an offence;
4. Fails to fish as per the conditions and requirements established in the Designation Agreement;
5. Requests to leave the fishery; or
6. Dies.

Reduced or revoked Designations may be reassigned to other Designates at the Minister's discretion. Alternatively, the Director may issue a Call for Applications for the reduced or revoked Designation. Designates who have their Designation revoked will be ineligible to apply for Designations for a two-year period.



Annual Reporting Timeline:



\*Or the closest business day, except in exceptional circumstances. In such cases, an effort will be made to return the reports as soon as possible.

## Changes to Nunatsiavut's Allocations:

Except for licenses for competitive fisheries, the Nunatsiavut Government's communal-commercial fishing licenses have associated allocations and/or quotas. These allocations and quotas are not fixed quantities (e.g., 40 metric tonnes every year); instead, they provide exclusive access to a set percentage of the fishery's total allowable catch (TAC; e.g., 9.90 percent of the TAC for shrimp Fishing Area 5). The TACs of these fisheries are determined externally by DFO. Consequently, the absolute quantity of Nunatsiavut's allocations and quotas may fluctuate over the Designation period. In recognition of this, the Fishery Review Committee (FRC) shall recommend – and the Minister may approve – Designations that are expressed as percentages of Nunatsiavut's access and allocations (where applicable). By allocating Designations as a percentage of Nunatsiavut's quotas, rather than as a fixed quantity, the Department of Lands and Natural Resources (DLNR) avoids having a Call for Applications midway through a cycle if a TAC changes. For instance, Nunatsiavut has 9.90 percent of the TAC for Shrimp Fishing Area 5. The FRC may recommend that Applicants A, B and C will each be designated a third of this allocation. Effectively, Applicants A, B and C will therefore have 3.30 percent of the TAC (one-third of 9.90 percent) for this fishery for the subsequent five years. If the TAC increases after the Designation is assigned, their quantity (usually expressed in metric tonnes) of shrimp quota will increase, but the percentage remains constant. Similarly, if the TAC decreases, the permitted tonnage of the quota will be smaller, but their share of the total remains the same.

When successful Applicants are notified of their tentative Designations, the DLNR will provide the percentage of the Designation as well as the current quantity of quota (in metric tonnes or pounds). If a TAC is modified by DFO, the DLNR shall notify in a timely manner all affected Designates of the change, including a calculation of what the new quota in metric tonnes (or pounds) is for each Designate.

## New Applicants:

This Designation Policy is designed to encourage vessel ownership of Beneficiaries living in the Labrador Inuit Settlement Area (LISA). The goal is to have 100 percent of Nunatsiavut's communal-commercial fisheries harvested by registered vessels owned by Beneficiaries resident in Nunatsiavut within 15 years. To achieve this, there needs to be a balance between creating opportunities for new vessel owners and ensuring established vessel owners are able to make returns on their investment. By necessity, Designates who become vessel owners will make significant financial investments to acquire a fishing vessel and the necessary fishing gear. It is therefore in the interests of the Nunatsiavut Government to encourage

stability and responsible business planning. Thus, the DLNR, acting on behalf of the Nunatsiavut Government, recognizes a responsibility to protect these financial investments by Designates.

It is also the responsibility of the DLNR to provide opportunities to eligible and qualified Applicants to maximize employment and other benefits from the fisheries. Thus, applications can be made for Annual Designations and Multiyear Designations less than five years after Year 1 of the Multiyear Cycle. To make the process manageable for the DLNR, applications for five-year Designations can only be made in Year 1 of the Multiyear Cycle, four-year applications in Year 2, and so on. It will be possible to apply for an Annual Designation but multiyear applications will be prioritized. Annual Designations will be assessed once all Multiyear Designations are settled. Securing an Annual Designation will be more likely in years when the Nunatsiavut Government has acquired access to new fisheries or additional quotas that have not yet been allocated. In addition, opportunities may arise for new Applicants to receive a Designation if an existing Designation is revoked.

## Transparency & Disclosure:

Nunatsiavut's assets in the commercial fisheries are common property intended to support Beneficiaries. Therefore, any actions taken by the Nunatsiavut Government associated with fisheries need to be made in an open and transparent manner to the public. However, the Department of Lands and Natural Resources (DLNR) recognizes Applicants are required to submit confidential business information during the application process outlined herein. Accordingly, the DLNR intends to protect the proprietary information of Applicants and meet the goal of an objective of transparent and fair process. Subject to the guidelines outlined above in "Communicating Designations" as well as the requirements for confidentiality and privacy (laid out below), the DLNR will make publicly available on an annual basis:

1. An executive summary of the Fishery Review Committee (FRC)'s Designation recommendations made to the Deputy Minister;
2. The Minister's decision on the allocations;
3. Summaries of the quotas caught each year in the Designation and the total number of Beneficiaries employed, following receipt of the Annual Reports (such summaries will not contain any information that identifies individual Designates and/or Beneficiaries.)

The following list specifies the Application information that will be held in confidence by the DLNR and FRC:

1. Specific details<sup>13</sup> of the Harvest Plan, Business Plan (including financial projections), and Benefits Plan,
2. Contractual and other legal arrangements concerning:
  - a. Vessel acquisitions including financing,
  - b. Joint Ventures,
  - c. Cooperative Arrangements,
  - d. Quota transfers (internal or external),
  - e. Transition plans from one harvesting structure to another (e.g., Shareholder Arrangement to Joint Venture or vessel purchase),
  - f. Commercial sale and/or processing.
3. Specific details of any Annual Report, including revisions to Harvesting, Business, or Benefits Plans.

The DLNR may consider classifying other information provided by Applicants as confidential at an Applicant's request. The Applicant must clearly mark what information is included in the confidentiality request and provide a reason for why it should be protected. The Director will evaluate requests and decide if the Applicant has shown that public disclosure of such information is reasonably expected to:

1. Competitively, financially, or otherwise harm the Applicant;
2. Reveal a trade secret or proprietary business interest;
3. Other circumstances at the Director's discretion where the need for confidentiality outweighs the perceived interest of public disclosure.

Any information that is determined to be confidential shall be treated in accordance with Nunatsiavut's confidentiality policies.

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<sup>13</sup> "Specific details" refers to the precise reporting of projections, goals or other relevant information contained in an application or Annual Report. Broad characterizations of the overall application may be disclosed if the circumstances are deemed appropriate by the DLNR. Such disclosure is part of the efforts of the DLNR for transparency in Designation decisions.

## Monitoring & Evaluation:

The Designation Policy has been drafted to encourage the acquisition of harvesting capacity in Nunatsiavut. At the conclusion of each Multiyear Cycle (i.e. following receipt of Year 5's final Annual Reports, or following Annual Reports by Annual Designates), the Department of Lands and Natural Resources (DLNR) shall prepare a report for the Minister that provides information (including visual representations such as graphs and tables) on:

1. The number of registered fishing vessels owned by Applicants at the start of the Multiyear Cycle (as identified in applications),
2. The projected number of registered fishing vessels that would be purchased over the Multiyear Cycle (as identified by Applicants in applications),
3. The total number of registered fishing vessels that were purchased over the course of the cycle,
4. A calculation of what percentage of the Nunatsiavut Government's commercial fishery Designations were harvested by registered vessels owned by Beneficiaries resident in Nunatsiavut over the cycle.

Once reviewed and approved by the Minister, said report or the relevant portions thereof, shall be made publicly available.

## Schedules:

<b>Schedule</b>	<b>Contents</b>
A	Summary of the Nunatsiavut Government's Licenses, Allocations & Quotas
B	Fishery Review Committee Terms of Reference
C	Application Template
D	Application Evaluation Guidelines & Scoring Rubric
E	Tentative Designation Agreement
F	Annual Report Template
G	Annual Report Evaluation Guidelines & Grading Chart

## Appendix

<b>Appendix</b>	<b>Contents</b>
A	Nunatsiavut <i>Commercial Fishery Designation Policy: At a Glance</i>

Schedule A – Summary of the Nunatsiavut Government’s Licenses, Allocations & Quotas

Species	Fishing Area	No. of Licenses	Allocation/Quota (MT or % of TAC)	Notes
Groundfish	NAFO <sup>14</sup> 2+3K	4	Competitive	Competitive for turbot and scallop
Snow Crab	NAFO 2J (South)	2	40 MT <sup>15</sup> (approx.)	Combined with two of NAFO 2+3K groundfish licenses
	NAFO 2HJn	Communal	270 MT	Additional 40 MT of quota available from Torngat Fish Producers Co-op
	Area 2H Exploratory crab	Exploratory	100 MT	
Shrimp	SFA <sup>16</sup> 5	Communal	9.90% of TAC <sup>17</sup>	
	SFA 4		10% of TAC	
Turbot	NAFO 2+3KLMNO	Special allocation	3.38% of TAC	

<sup>14</sup> Northwest Atlantic Fisheries Organization

<sup>15</sup> Shrimp Fishing Area

<sup>16</sup> Metric tonnes

<sup>17</sup> Total allowable catch

## Schedule B – Fishery Review Committee Terms of Reference

### *Mandate*

The Fishery Review Committee (FRC) was convened by the Nunatsiavut Government's Department of Lands and Natural Resources (DLNR) to advise the Deputy Minister and the Minister of Lands and Natural Resources (the Minister) of the allocation of Multiyear and Annual Designations. The FRC's Terms of Reference are outlined in this schedule.

### *Roles and Responsibilities*

The roles and responsibilities of the FRC include:

1. Reviewing and evaluating eligible applications submitted to the DLNR for Designations in accordance with the principles and procedures outlined in the Designation Policy, including the evaluation guidelines and scoring rubric.
2. Making recommendations to the Deputy Minister and Minister on the allocation of the Nunatsiavut Government's licenses and quotas based on the evaluation of all eligible applications.<sup>18</sup>
3. Reviewing and evaluating Annual Reports submitted to the DLNR for Designations in accordance with the principles and procedures outlined in the Designation Policy and providing advice and/or recommendations when requested by the DLNR;
4. Making recommendations to the Deputy Minister on the maintenance of Designations based on the evaluation of the Annual Reports, including issuing written warnings and/or recommendations for the reduction or revocation of Designations where applicable.

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<sup>18</sup> Including an executive summary of the recommended Designations.



### *Membership*

The FRC shall be composed of at least five members, appointed as described below:

1. The Director of Renewable Resources, the Fisheries Clerk, and the Fisheries Specialist, appointed by the Deputy Minister;
2. General Manager and Assistant General Manager of Torngat Fish Producers Co-op;
3. An independent member, with recognized industry expertise in planning in the fisheries business and economic development, if required or directed by the Deputy Minister.

Given the large breadth of knowledge of the fishing industry among the Inuit of Nunatsiavut, it is expected that members of the FRC will be familiar with topics of business planning and standard fishing-business practices; vessel ownership; and socio-economic development. Where there is a gap in knowledge on the FRC, it is expected that an independent member be selected to fill said gap. Though the independent member need not be geographically removed, the benefit of a geographically removed FRC member can be a way to reduce bias, potential biases, or the perception of bias in the review process as this individual is unlikely to be directly associated with the fishery or its participants.

There will be no hierarchy within the FRC (e.g., no Chairpersons, Vice-Chairpersons, members-at-large). Moreover, a consensus-based approach will be used for all decision-making. However, the Director of Renewable Resources will be the DLNR's primary point of contact with the FRC.

**All FRC members shall perform their duties independently and impartially, in accordance with the Designation Policy.**

Members will be appointed for a set term of five years, commencing in Year 1 of the Multiyear Cycle. Members can be reappointed at the discretion of the Deputy Minister. Membership will be reviewed as necessary at the discretion of the DLNR. The Deputy Minister may terminate an FRC member's appointment if there is just cause such as a failure to complete work by stated deadlines or breach of confidentiality. If an FRC member is terminated, the Deputy Minister has the discretion to appoint a new member to replace them. Breaches of confidentiality could also result in a suit from Applicants if any proprietary or confidential business information was breached. For Nunatsiavut Government employees sitting on the FRC, given the confidentiality regulations outlined in the Nunatsiavut Civil Service Employee Manual, a breach in confidentiality could result in punitive action from the Human Resources Division.

### *Confidentiality Obligations*

As the persons responsible for reviewing and evaluating each application for Designations, the FRC members will have access to confidential business and financial information. Each member of the FRC is therefore under a legal obligation to maintain such materials and information, as identified in the Designation Policy, as strictly confidential both during their term as a member of the FRC as well as after that term has ended in perpetuity.

### *Conflict of Interest Provisions*

It is imperative that the Designation Policy maintain its reputation as an open, transparent, and fair process. In order to support this objective, FRC members must disclose any private interests that may affect their ability to exercise their duties in this role. If a real, potential, or apparent conflict of interest should arise, the member must disclose the conflict to the Deputy Minister and the FRC. Failure to disclose a conflict of interest will be considered just cause for termination from the FRC. The FRC member would be then expected to remove themselves from discussion on that specific application.

### *Administration*

The Nunatsiavut Government is responsible for all the necessary costs associated with the FRC. Communications between the DLNR and the FRC shall be coordinated by the Director. All evaluation records shall be maintained by the DLNR.

**Acceptance of the position of an FRC member will be considered an explicit agreement to these Terms of Reference in their entirety, including the obligation of confidentiality.**

## Schedule C – Application Template

The application form for Multiyear and Annual Designations will include five sections:

1. Assessment of Eligibility, Experience & Past Performance
2. Designation Request
3. Harvesting Plan
4. Business Plan
5. Benefits Plan

Each of these sections should be completed according to the directions on the form and submitted together in response to a Call for Applications. The information in each section should be as detailed as possible.

## Nunatsiavut Government Commercial Fishery Designation Application

For more Information, contact Todd Broomfield, Director of Renewable Resources, at (709) 923-2365 ext. 227

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### Assessment of Eligibility, Experience, & Past Performance

Name: \_\_\_\_\_ Beneficiary Number: \_\_\_\_\_

Tel. Number: \_\_\_\_\_ Email Address: \_\_\_\_\_

Mailing Address: \_\_\_\_\_  
\_\_\_\_\_

Residential Address (if different than mailing address): \_\_\_\_\_  
\_\_\_\_\_

Do you currently have Northern Labrador Core Status? **Yes / No**

**If yes**, what year did you receive your Northern Labrador Core Status: \_\_\_\_\_

Do you have Marine Basic First Aid? **Yes / No** Expiry Date: \_\_\_\_\_

Do you hold a Professional Fish Harvester Certification? **Yes/ No**

**If yes**, what certification do you hold? **Apprentice / Level I / Level II**

**If no**, do you plan on acquiring Professional Fish Harvester Certification? **Yes/ No**

**If yes**, please outline details of your plan to obtain certification, what level of certification you will be seeking, and the estimated date of completion:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Please attach copies of your Marine Basic First Aid and Professional Fish Harvester certificates.

How many years have you participated in the inshore or offshore commercial fishery?

\_\_\_\_\_

How many years have you relied on the inshore or offshore commercial fishery as your primary source of income?

\_\_\_\_\_

How many years have you been designated to harvest under one of the Nunatsiavut Government's quotas or licenses?

\_\_\_\_\_

When was the first year you received a Designation?

\_\_\_\_\_

What species have you harvested most recently? Where? And with whom?  
If more space is needed, attach additional pages as required.

\_\_\_\_\_  
\_\_\_\_\_  
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\_\_\_\_\_

Please attach copies of your Annual Reports for the previous 5-year Designation Cycle, including the one for the year just completed (for the inaugural multiyear application or if you are a new Applicant, no Annual Reports are expected to be provided).

Have you ever had a Designation revoked by the Director of Renewable Resources? **Yes/ No**

Did you transfer a portion of your Designation for medical cause at any time in the previous year? **Yes/ No**

**If yes**, have you received an approved Medical Certificate of Seafarer Fitness? **Yes/ No**  
Please attach a copy of this certificate (if applicable).

Designation Request

Under which Nunatsiavut Government license or licenses are you applying to harvest?  
Mark X on all that apply and indicate how much quota you are requesting (in pounds).

		X	Requested Quota (lbs) <sup>19</sup>
1.	Area 2HJN snow crab		
2.	Area 2J South snow crab		
3.	Area 2H Exploratory crab		
4.	Area SFA <sup>20</sup> 4 shrimp		
5.	Area SFA 5 shrimp		
6.	Area 2+3K Competitive Greenland halibut:		
7.	Area 2 Communal Greenland halibut allocation:		
8.	Area 1 Competitive scallop <sup>21</sup>		

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<sup>19</sup> There is no guarantee that an Applicant will receive the exact amount of their requested poundage.

<sup>20</sup> Shrimp Fishing Area

<sup>21</sup> This policy is not intended to cover the Competitive Scallop Fishery as it stands in 2019, given the logistics of the fishery. Over the second cycle of the policy we will review how the Competitive Scallop Fishery will be integrated into Multiyear Designations. Applications for the Competitive Scallop Fishery are also due in March.

### Harvesting Plan

Please make an X in the box next to the harvesting structure that describes how you plan to fish.

Vessel ownership Labrador Inuit Settlement Area (LISA)-resident Beneficiary harvester	
Vessel ownership non-LISA-resident Beneficiary harvester	
Lease-to-Own Arrangement with LISA-resident Beneficiary harvester	
Lease-to-Own Arrangement with non-LISA-Beneficiary harvester	
Lease-to-Own Arrangement with non-Beneficiary harvester	
Shareholding venture between LISA-resident Beneficiary harvester and non-Beneficiary harvester	
Shareholding venture between non-LISA-resident Beneficiary harvester and non-Beneficiary harvester	
Shareholding venture between LISA-resident Beneficiary harvester and non-LISA-resident Beneficiary harvester	
Cooperative Arrangement with LISA-resident Beneficiary harvester	
Cooperative Arrangement with non-LISA-resident Beneficiary harvester	
Cooperative Arrangement with non-Beneficiary harvester	
Annual Lease-to-Own or Cooperative Arrangement (for Annual Designation)	
If your arrangement is something other than those listed above, please attach a sheet explaining said arrangement.	

If your arrangement is something other than those listed above, please attach a sheet to explain. In cases that do not fit into these categories, the Fishery Review Committee (FRC) may come to a consensus on an appropriate score for unique applications

Describe this harvesting structure in more detail including who owns the vessel and their contact information, and other relevant details.

If more space is needed, attach additional pages as required.

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Describe the vessel that will harvest the Designation by completing the table below.  
If more than one vessel will be used, attach additional pages as required.

Vessel Name	
Vessel Owner	
Registration Number	
Home Port	
Year Built	
Last Transport Canada Inspection (Year)	
Length (specify metres or feet)	
Hull Construction Material (e.g., steel, fiberglass)	
Engine Description (e.g., diesel)	
Engine Horsepower	
Number of Engines	
Maximum Speed (knots)	
Crew Size	
Number of Berths	
Rigged For	



Hold Capacity	
Other Relevant Details (e.g., presence of Refrigerated Sea Water system)	

Describe your fishing plan for the requested Designation by filling out the table below using your best estimation.

Use one table per species, attach additional tables as required.

Species and Fishing Area	
Fishing Start Date (your start date – not the fishing season)	
Fishing End Date (your finishing end date – not the fishing season)	
Number of Trips	
Length of Each Trip	
Type and Amount of Gear Used (e.g., 10 traps, 10 tubs of longline hooks, and so on)	
Bait Type	
Estimated Catch Per Trip (lbs)	
Total Catch for Fishing Season (lbs)	
Landing Location	
Other Relevant Details	

Business Plan

Describe the expectations of your Business Plan by filling out the table below.

Use these expectations to calculate your Business Plan's financial projections to your best possible estimation.

Fill out only the species and areas you have requested Designations for. Fill out all operating costs.

Species	Area	Amount Requested (lbs)	Number of Trips	Catch Per Trip (lbs)	Price Per lb
Snow crab	2HJN				
Snow crab	2J South				
Shrimp	SFA 4				
Shrimp	SFA 5				
Greenland halibut	2+3K Competitive				
Greenland halibut	Communal				
Competitive scallop	Area 1				

Operating Cost	Amount Required (in lbs or liters)	Cost Per Quantity (per lbs or liters)	Total Cost
Bait			
Fuel			
Inflation Rate/Year			

Fill out the Business Plan Template (available as a Microsoft Excel file from the Department of Lands and Natural Resources) to simplify calculations. Attach completed Business Plan Template as your financial projections.

Provide the financing terms of your vessel ownership loan below. If this is not applicable, provide the financial terms of your Lease, Shareholding, or Cooperative Arrangement below. If more space is needed, attach additional pages as required.

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Benefits Plan

Provide the number of crew positions for Beneficiaries that will be created each year of the Multiyear Designation. Also indicate what percentage of the total crew positions will be Beneficiaries. Do not include yourself in these numbers.

	Year 1	Year 2	Year 3	Year 4	Year 5
Number of Labrador Inuit Settlement Area (LISA)-resident Beneficiary crew positions					
Percentage of LISA-resident Beneficiary crew positions relative to total crew size <sup>22</sup>					
Number of non-LISA-resident Beneficiary crew positions					
Percentage of non-LISA-resident Beneficiary crew					

<sup>22</sup> To calculate a percentage, divide the subset by the total number then multiply by 100. For example, number of LISA-resident Beneficiaries by the total number of crew members. If the total crew is 10 people and the number of LISA-resident Beneficiaries within the crew is 3, divide 3 by 10 (3/10) = 0.3 x 100 = 30 so the percentage of LISA-resident Beneficiaries is 30 percent.

positions relative to total crew size					
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Describe any other benefits you intend to invest in as a result of this Designation.<sup>23</sup> Provide estimates of costs where applicable. Exclude your Nunatsiavut Commercial Fisheries Fund contributions.

If more space is needed, attach additional pages as required.

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Completed applications and required supporting documents should be clearly addressed: “Attention to the Director of Renewable Resources”. Applications and supporting documents can be delivered by one of the following methods:

1. Hand delivery to Nain Administration Building, 25 Ikajuktauvik Road, Nain NL
2. Mail to the following address:  
Nunatsiavut Government, 25 Ikajuktauvik Road, PO Box 70, Nain NL, A0P-1L0
3. Email to: [colin.webb@nunatsiavut.com](mailto:colin.webb@nunatsiavut.com)
4. Fax to: (709) 922-2931

<b><u>Signature Required:</u></b>	
I certify that that the information I have provided is accurate and true.	
Applicant's Signature: _____	Date: _____

<sup>23</sup> Investment is broadly considered here to mean any of the following but not limited to: formal mentorship of crew members, providing/attending additional training, fisheries research and development efforts (e.g. quality improvement projects, gear technology research, emerging fisheries), charitable contributions to Nunatsiavut-based programs from revenue generated by Designations; or participation in fisheries consultations (such as those held by Fisheries and Oceans Canada, the Nunatsiavut Government, or Torngat Fish Producers Co-op).

*Please note that applications will be assessed based on the necessary supporting documents provided prior to, or by the deadline, of this application.*

Schedule D – Application: Evaluation Guidelines & Scoring Rubric

*Experience*

<b>Assessed Metric</b>	<b>Objective</b>	<b>Definition</b>
<p>Commercial fishing experience</p> <p><i>Maximum Score: 5</i></p>	<p>To assess the total amount of full-time commercial fishing experience of the Applicant.</p>	<p>Commercial fishing experience is defined as the number of years the Applicant has participated in a commercial fishery. To be considered full-time the fishery has to be the Applicant’s primary source of income. The location of the fisheries, role as a crew member, fishing methods, vessel type, or species targeted does not apply to this score.</p>
<p>Commercial fishing experience as Captain and/or Mate</p> <p><i>Maximum Score: 10</i></p>	<p>To assess the total amount of commercial fishing experience of the Applicant in a senior role as an indicator of preparedness for vessel ownership.</p>	<p>Commercial fishing experience as Captain and/or Mate is defined as the number of seasons (or partial seasons) the Applicant has participated in a commercial fishery in the role of Captain and/or Mate (or equivalent responsibility) only. The location of the fisheries, role as crew member, fishing methods, vessel type, or species targeted does not apply to this score.</p>
<p>Commercial fishing experience as a Designate</p> <p><i>Maximum Score: 5</i></p>	<p>To assess the total amount of commercial fishing experience of the Applicant fishing in Nunatsiavut’s commercial fishing allocations.</p> <p>Greater points will be allocated for having direct experience fishing for the species in the location(s) of the requested allocations.</p>	<p>Commercial fishing experience as a Designate is defined as the number of years the Applicant has participated in Nunatsiavut’s commercial fisheries while holding a valid Designation.</p>

<b>Assessed Metric</b>	<b>Scoring Rubric</b>				
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Commercial fishing experience	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	Less than 3 years	3 to 6 years	7 to 11 years	12 to 16 years	17 or more years

Commercial fishing experience as Captain and/or Mate	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	1 year	2 to 3 years	4 to 5 years	6 to 7 years	8 to 9 years
	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>
	10 to 11 years	12 to 13 years	14 to 15 years	16 to 17 years	18 or more

Commercial fishing experience as a Designate	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	0 to 1 year as a Designate	2 to 4 years as a Designate	5 to 8 years as a Designate	9 to 12 years as a Designate	13 or more years as a Designate

Past Performance

Assessed Metric	Objective	Definition
<p>Average percentage of Designations harvested annually</p> <p>Maximum Score: 5</p>	<p>To assess whether previously received Designations were fully utilized.</p> <p>Catching or transferring the entire quota should be rewarded to avoid leaving fish, and therefore revenue, in the water.</p>	<p>The percentage of each Applicant’s catches relative to their Designation will be calculated as follows:</p> <p><i>(Total Catch in Metric Tonnes ÷ Designation Quantity in Metric Tonnes) multiplied by 100 = Percentage of Applicant’s Catch</i></p> <p>In the event an Applicant holds a Designation for multiple locations, the percentage caught will be calculated for each quota. These percentages will then be averaged for the length of the previous Designation.<sup>24</sup></p> <p>New Applicants will receive a score of 1.</p>
<p>Adherence to previous Business Plan*</p> <p>Maximum Score: 9</p>	<p>To assess the extent to which the Applicant has accomplished the primary goals of his/her Business Plan submitted during the previous Designation application.</p>	<p>Adherence to a previous Business Plan will consider the Annual Reports submitted by the Applicant for the previous Designation. The Fishery Review Committee will consider whether the goals, commitments, and/or projections for the previous Designation were achieved. Items for consideration will include:</p> <ol style="list-style-type: none"> <li>1. Quantity of Designation harvested</li> <li>2. Number of Beneficiaries employed</li> <li>3. Debt serviced</li> <li>4. Profits generated</li> <li>5. Other relevant factors</li> </ol> <p>Adherence will be determined by reviewing the scores from the Applicant’s previous Designation’s Annual Report. New Applicants will receive a score of 3.</p>

**\*Note:** for the inaugural Call for Applications following implementation of the Designation Policy, the metric “Adherence to previous Business Plan” will not be assessed. For all subsequent Calls for Applications, this metric shall be assessed per the Designation Policy.

<sup>24</sup> To calculate: Add together percentages for all quotas then divide by the number of quotas. For example, if Designate has 3 quotas, add 3 together and divide the sum of those 3 numbers by 3 to receive the average.



**Assessed Metric** **Scoring Rubric**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Average percentage of Designations harvested annually	0 to 50% or New Applicant	51 to 74%	75 to 83%	84 to 91%	92 to 100%

	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Adherence to previous Business Plan	Applicant was subject to a reduction in quota during the previous Designation(s)	“Needs Improvement” or “Unsatisfactory” received at least once during the previous Designation, but was not subject to a quota reduction; or is a New Applicant	“Acceptable” received in all years of previous Designation but received “Unsatisfactory” once but was not subject to a reduction in quota; or is a New Applicant	“Meets Expectations” achieved in most years of the previous Designation, and “Acceptable” received in all others	“Meets Expectations” received in all years of previous Designation
	“Exceeds Expectations” achieved in 1 to 2 years of the previous Designation, and “Acceptable” received in all others	“Exceeds Expectations” achieved in 1 to 2 years of the previous Designation, and “Meets Expectations” or “Acceptable” received in most others	“Exceeds Expectations” achieved in 1 to 2 years of the previous Designation, and “Meets Expectations” received in all others	“Exceeds Expectations” achieved in most years of the previous Designation, and “Meets Expectations” received in all others	“Exceeds Expectations” achieved in all years of the previous Designation

Structure

Assessed Metric	Objective	Definition
<p>Harvesting Plan structure</p> <p><i>Maximum Score: 100</i></p>	<p>To promote the use of Harvesting Plans that maximize the retention of economic benefits to Beneficiaries, in accordance with the goal of achieving 100% of Designations harvested by Labrador Inuit Settlement Area (LISA)-resident Beneficiary-owned vessels.</p>	<p>Applicants will identify how they intend to harvest their requested Designations using one of the following 12 categories:</p> <ol style="list-style-type: none"> <li>1) Vessel ownership by LISA-resident Beneficiary harvester</li> <li>2) Lease-to-Own Arrangement by LISA-resident Beneficiary harvester with LISA-resident Beneficiary harvester</li> <li>3) Lease-to-Own Arrangement by LISA-resident Beneficiary harvester with non-LISA-resident Beneficiary harvester</li> <li>4) Lease-to-Own Arrangement by LISA-resident Beneficiary harvester with non-Beneficiary harvester</li> <li>5) Vessel ownership non-LISA-resident Beneficiary harvester</li> <li>6) Shareholding venture between LISA-resident Beneficiary harvester (51%) and non-LISA-resident Beneficiary harvester</li> <li>7) Shareholding venture between LISA-resident Beneficiary harvester and non-Beneficiary harvester</li> <li>8) Cooperative Arrangement with LISA-resident Beneficiary harvester</li> <li>9) Cooperative Arrangement with non-LISA-resident Beneficiary harvester</li> <li>10) Cooperative Arrangement with non-Beneficiary harvester</li> <li>11) Annual Designations</li> <li>12) In cases that do not fit into these categories, the Fishery Review Committee (FRC) may come to a consensus on an appropriate score for unique applications (points to be determined).</li> </ol> <p>Vessel ownership is defined as the Designate harvesting his/her Designation on a vessel owned by said Designate.</p>

Assessed Metric	Objective	Definition
		<p>Lease-to-Own Arrangement is defined as an arrangement where the Designate has an arrangement with the vessel owner and will be present while fishing his/her Designation on said vessel.</p> <p>Joint Venture/Shareholder Arrangement is defined as when a Beneficiary owns a share in a vessel and will be present while fishing his/her Designation on said vessel. This policy will only consider instances where a Beneficiary is the majority shareholder.<sup>25</sup></p> <p>Cooperative Arrangement is defined as any agreement where the Designate will fish her/his Designation on a vessel owned by another individual. The Designate will be present on the vessel while it is fishing the Designation.</p> <p>Annual Lease-to-Own or Cooperative Arrangements will be considered when a Lease or Cooperative Arrangement is only for one year. These will only be considered in years where there is remaining quota after the allocation of Multiyear Designations.</p> <p>This category considers the residency of Applicants. This is built into some categories but in the case of the categories like “Annual Designation”, “Cooperative Arrangement with non-Beneficiary harvester” and “Cooperative Arrangement with non-LISA Beneficiary harvester” an extra 10 points will be given to Applicants who are resident in LISA.<sup>26</sup></p>

<sup>25</sup> This policy is limited to Shareholding ventures where Beneficiaries are majority shareholders because we want to ensure our Beneficiaries are the persons primarily profiting from the enterprise.

<sup>26</sup> As noted in the introduction, through the *Labrador Inuit Tax Treatment Agreement*, the Nunatsiavut Government receives 95 percent federal tax rebates for employed individuals resident in the LISA. Increasing the income and employment of applicants living in the LISA maximizes benefits of the *Labrador Inuit Tax Treatment Agreement*. When the Nunatsiavut Government has a larger income, there is more money to support programs that benefit all Beneficiaries.

Assessed Metric																			
Harvesting Plan structure	<table border="1"> <thead> <tr> <th>Varies</th> <th>10</th> <th>20</th> <th>40</th> <th>60</th> <th>70</th> </tr> </thead> <tbody> <tr> <td>In cases that do not fit into these categories, the FRC may come to a consensus on an appropriate score for unique applications (points to be determined).</td> <td>Annual Designation <i>(If Applicant is resident in the LISA + 10 points)</i></td> <td>Cooperative Arrangement with a non-Beneficiary harvester <i>(If Applicant is resident in the LISA + 10 points)</i></td> <td>Cooperative Arrangement with a non-LISA-resident Beneficiary harvester <i>(If Applicant is resident in the LISA + 10 points)</i></td> <td>Cooperative Arrangement with a LISA-resident Beneficiary harvester</td> <td>Shareholding venture between a LISA-resident Beneficiary harvester and a non-Beneficiary harvester</td> </tr> <tr> <td>75</td> <td>85</td> <td>85</td> <td>85</td> <td>85</td> <td>100</td> </tr> </tbody> </table>	Varies	10	20	40	60	70	In cases that do not fit into these categories, the FRC may come to a consensus on an appropriate score for unique applications (points to be determined).	Annual Designation <i>(If Applicant is resident in the LISA + 10 points)</i>	Cooperative Arrangement with a non-Beneficiary harvester <i>(If Applicant is resident in the LISA + 10 points)</i>	Cooperative Arrangement with a non-LISA-resident Beneficiary harvester <i>(If Applicant is resident in the LISA + 10 points)</i>	Cooperative Arrangement with a LISA-resident Beneficiary harvester	Shareholding venture between a LISA-resident Beneficiary harvester and a non-Beneficiary harvester	75	85	85	85	85	100
	Varies	10	20	40	60	70													
In cases that do not fit into these categories, the FRC may come to a consensus on an appropriate score for unique applications (points to be determined).	Annual Designation <i>(If Applicant is resident in the LISA + 10 points)</i>	Cooperative Arrangement with a non-Beneficiary harvester <i>(If Applicant is resident in the LISA + 10 points)</i>	Cooperative Arrangement with a non-LISA-resident Beneficiary harvester <i>(If Applicant is resident in the LISA + 10 points)</i>	Cooperative Arrangement with a LISA-resident Beneficiary harvester	Shareholding venture between a LISA-resident Beneficiary harvester and a non-Beneficiary harvester														
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	<table border="1"> <tbody> <tr> <td>Shareholding venture between a LISA-resident Beneficiary harvester (51%) and a non-LISA-resident Beneficiary harvester</td> <td>Vessel ownership by a non-LISA-resident Beneficiary harvester</td> <td>Lease-to-Own Arrangement by a LISA-resident Beneficiary with a non-Beneficiary harvester</td> <td>Lease-to-Own Arrangement by a LISA-resident Beneficiary with a non-LISA-resident Beneficiary harvester</td> <td>Lease-to-Own Arrangement by a LISA-resident Beneficiary with a LISA-resident Beneficiary harvester</td> <td>Vessel ownership by a LISA-resident Beneficiary harvester</td> </tr> </tbody> </table>	Shareholding venture between a LISA-resident Beneficiary harvester (51%) and a non-LISA-resident Beneficiary harvester	Vessel ownership by a non-LISA-resident Beneficiary harvester	Lease-to-Own Arrangement by a LISA-resident Beneficiary with a non-Beneficiary harvester	Lease-to-Own Arrangement by a LISA-resident Beneficiary with a non-LISA-resident Beneficiary harvester	Lease-to-Own Arrangement by a LISA-resident Beneficiary with a LISA-resident Beneficiary harvester	Vessel ownership by a LISA-resident Beneficiary harvester												
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Business Plan

Assessed Metric	Objective	Definition
<p>Feasibility of Harvesting Plan</p> <p><i>Maximum Score: 5</i></p>	<p>To assess whether the proposed Harvesting Plan is realistic and achievable under normal fishing conditions.</p>	<p>The Harvesting Plan should include (but may not be limited to) the following information:</p> <ul style="list-style-type: none"> <li>• Description of harvesting structure,</li> <li>• Description of harvesting capacity,</li> <li>• Proposed fishing times and estimated catches,</li> <li>• Landing locations.</li> </ul> <p>The feasibility of the Harvesting Plan is defined as an assessment of whether the proposed fishing times, estimated catches, and landing locations are realistic and economically feasible given the harvesting capacity as described in the Harvesting Plan.</p>
<p>Vessel Description</p> <p><i>Maximum Score: 3</i></p>	<p>To assess whether the proposed vessel is suitable for the fishing activities.</p>	<p>The Harvesting Plan should include a description of the vessel and gear that will be used to harvest the Designation. This description, termed “harvesting capacity”, shall include:</p> <ul style="list-style-type: none"> <li>• Gear type,</li> <li>• Vessel size,</li> <li>• What the vessel is rigged for,</li> <li>• Horsepower,</li> <li>• Crew size,</li> <li>• Number of berths,</li> <li>• Holding capacity, and</li> <li>• Additional relevant details (such as Presence of a Refrigerated Sear Water system).</li> </ul> <p>This harvesting capacity shall be compared against the requested Designation amount to assess whether it is appropriate (e.g., correct rigging for the species) for the request.</p>

<b>Assessed Metric</b>	<b>Objective</b>	<b>Definition</b>
Presence of Business Plan components  <i>Maximum Score: 5</i>	To promote business planning, Applicants will be rewarded for having a complete Business Plan.	A complete Business Plan is defined as having the following three components: <ol style="list-style-type: none"> <li>1. List of future expectations (quotas projections, price of fish, preferred species)</li> <li>2. Five-year financial projections</li> <li>3. Loan terms or contract terms (these refer to the details of a vessel ownership loan or the Joint Venture/Shareholder Arrangement contract agreements, respectively).</li> </ol> Points will be awarded for the presence of each of these items.
Flexibility of the Harvesting Plan  <i>Maximum Score: 3</i>	To assess whether the proposed Harvesting Plan is flexible enough to account for unexpected occurrences (such as minor mechanical troubles, lost fishing gear, foul weather conditions).	The flexibility of the Harvesting Plan is defined as: The ability of the Designate to ensure all or nearly all of the Designation is caught annually by having contingency fishing plans that can respond to unexpected fishing delays.
Feasibility of Business Plan  <i>Maximum Score: 4</i>	To assess whether the list of expectations provided in the Business Plan is feasible.	The feasibility of the Harvesting Plan is defined as: The degree to which the expectations are achievable and practical at the time of the Applicant's submission. The listed expectations should include all instances in the Business Plan where the Applicant has approximated or guessed at the cost of an item. The Fishery Review Committee (FRC) will assess the validity of these expectations based on publicly available information (such as shore prices, fuel costs, interest rates).
Feasibility of the Business Plan  <i>Maximum Score: 9</i>	To assess whether the proposed Business Plan is realistic and achievable. Where applicable, assessment will cover debt servicing.	The feasibility of the Business Plan is defined as: An assessment of whether or not the Business Plan's financial information (projections and loan terms) are properly calculated and more importantly, demonstrate an ability to generate a profit after operating expenses and debts are serviced.

Assessed Metric	Objective	Definition
<p data-bbox="219 254 435 317">Responsible business practices</p> <p data-bbox="219 386 435 417"><i>Maximum Score: 5</i></p>	<p data-bbox="475 254 769 489">To render a judgment whether, in the view of the FRC, the proposed Harvesting and Business Plans demonstrate responsible business practices.</p>	<p data-bbox="792 254 1382 558">Responsible business practices are defined as: The degree to which the proposed Business Plan demonstrates standard, broadly-followed methods, processes, or common knowledge in the fishing industry. This assessment factor is necessarily subjective and is designed to allow the FRC discretion to judge the overall Business Plan for its merits, growth potential, and risk-management efforts.</p>

**Assessed Metric** **Scoring Rubric**

Feasibility of Harvesting Plan	1	Harvesting Plan's fishing times, locations and landing facilities are infeasible and will not generate profits. No effort has been made to minimize operating costs
	2	Harvesting Plan's fishing times, locations and landing facilities are suboptimal. They will generate revenue but minimal profits for most species. The plan does not minimize operating costs
	3	Harvesting Plan's fishing times, locations and landing facilities will generate profits for all species, but may not minimize operating costs
	4	Harvesting Plan optimizes most fishing times, locations and landing facilities for all species to generate profits while minimizing operating costs
	5	Harvesting Plan demonstrates efficient planning and will optimize all fishing times, locations and landing facilities for all species to maximize profits while minimizing operating costs

Vessel description	1	Harvesting capacity is insufficient for Designation request
	2	Harvesting capacity has borderline sufficiency for Designation request
	3	Harvesting capacity is sufficient for Designation request

Presence of Business Plan components	1	One component provided
	3	Two components provided
	5	All three components provided



**Assessed Metric** **Scoring Rubric**

Flexibility of Harvesting Plan	<b>1</b>	Harvesting Plan is inflexible	<b>2</b>	Harvesting Plan demonstrates some flexibility	<b>3</b>	Harvesting Plan is highly flexible
	<b>1</b>	Business Plan assumptions are invalid	<b>2</b>	Some Business Plan assumptions are valid	<b>3</b>	Most or all Business Plan assumptions are valid
Feasibility of Business Plan	<b>1</b>	Business Plan is infeasible and is unable to generate profit or service debt	<b>3</b>	Business Plan is weak and is unable to generate a profit, but will service operating costs <b>OR</b> debt	<b>5</b>	Business Plan is unable to generate a profit, but will service operating costs <b>AND</b> debt ("break-even")
	<b>6</b>	Business Plan is able to generate a small profit (less than 5% of revenue), while servicing debt and operating costs	<b>7</b>	Business Plan is expected to generate profits between 5 and 9% of revenue, while servicing debt and operating costs	<b>8</b>	Business Plan is expected to generate profits between 10 and 14% of revenue, while servicing debt efficiently
			<b>9</b>	Business Plan is expected to generate profits between 15 and 19% of revenue, while servicing debt and operating costs efficiently	<b>10</b>	Business Plan is strong and is expected to generate profits in excess of 20% of revenue, while servicing debt and operating costs efficiently

Scoring Rubric					
Assessed Metric	1	2	3	4	5
Responsible business practices	Business Plan rarely or never demonstrates responsible business practices	Business Plan sometimes demonstrates responsible business practices	Business Plan consistently demonstrates responsible business practices	Business Plan consistently demonstrates responsible business practices and displays <i>some</i> initiative to grow beyond Nunatsiavut's Designations	Business Plan consistently demonstrates responsible business practices and displays <i>significant</i> initiative to grow beyond Nunatsiavut's Designations

### Benefits to Nunatsiavut

The purpose of this category is to provide opportunities for Designates and possible Designates to give back to Nunatsiavut. In these guidelines there is a balance between the scale (as in the number of people who will be impacted) and the timeframe (i.e. for how long). At times it might be appropriate to award higher points given the scale of the action even if the timeframe is short term, for example if someone gave a very large donation to a community freezer or foodbank in Labrador Inuit Settlement Area (LISA) while this timeframe is short term the impact is quite large. There are footnotes to provide illustrations of what kind of actions would be worth different scores.

Assessed Metric	Objective	Definition
<p>Number of crew positions created annually that are filled by LISA-resident Beneficiaries</p> <p><i>Maximum score: 20</i></p>	<p>To promote the employment of LISA-resident Beneficiary crew positions throughout the Designation and therefore maximize employment benefits in the LISA and the benefits from the involvement in the fishing industry to the Nunatsiavut Government. This metric will be assessed as a percentage of available crew positions to standardize comparisons among different vessels.</p>	<p>The number of Beneficiary crew positions will be calculated as follows:</p> <p><i>(Projected number of LISA-resident Beneficiaries holding a crew position over a fishing season ÷ Number of positions on Vessel Fishing Designation) multiplied by 100 = percentage of crew that are LISA-resident Beneficiaries</i></p> <p>The percentage of Beneficiaries will then be averaged for the length of the Designation.</p>
<p>Number of non-LISA-resident Beneficiary crew positions created annually</p> <p><i>Maximum score: 5</i></p>	<p>To promote the employment of non-LISA-resident Beneficiary crew positions throughout the Designation and therefore maximize its benefits to Nunatsiavut. This metric will be assessed as a percentage of available crew positions to standardize comparisons among different vessels.</p>	<p>The number of Beneficiary crew positions will be calculated as follows:</p> <p><i>(Projected number of Beneficiaries holding a crew position over a fishing season ÷ Number of positions on Vessel Fishing Designation) multiplied by 100 = percentage of crew that are LISA-resident Beneficiaries</i></p> <p>The percentage of Beneficiaries will then be averaged for the length of the Designation.</p>

Assessed Metric	Objective	Definition
<p>Other benefits</p> <p><i>Maximum score: 7</i></p>	<p>To acknowledge that benefits from the Designations may not be solely in the form of employment opportunities for crew members.</p> <p>Initiatives that can reasonably be projected to create a net benefit to Nunatsiavut or to other Beneficiaries will be rewarded.</p>	<p>Is a category of assessment designed to give the Fishery Review Committee (FRC) a degree of discretion in assessing a variety of other benefits. Benefits may include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Formal mentorship of crew members,</li> <li>• Providing/attending additional training,</li> <li>• Fisheries research and development efforts (such as quality-improvement projects, and gear-technology and emerging-fisheries research),</li> <li>• Charitable contributions from revenue generated by Designations (Nunatsiavut-based programs),</li> <li>• Participation in fisheries consultations (such as those held by Fisheries and Oceans Canada, the Nunatsiavut Government, or Torngat Fish Producers Co-op),</li> </ul> <p>Scoring should be based on the projected outcome(s) of the benefit, with consideration given to the economic feasibility and cost-effectiveness of the investment.</p> <p>Note:</p> <ol style="list-style-type: none"> <li>a. Benefits may not require a direct financial investment (e.g., mentoring of crew members) to generate a positive impact).</li> <li>b. Nunatsiavut Commercial Fisheries Fund contributions are excluded from consideration.</li> </ol>

**Assessed Metric** | **Scoring Rubric**

Number of crew positions created annually who are LISA-resident Beneficiaries	2	4	6	8	10
	0 to 10%	11 to 20%	21 to 30%	31 to 40%	41 to 50%
	<b>12</b>	<b>14</b>	<b>16</b>	<b>18</b>	<b>20</b>
	51 to 60%	61 to 70%	71 to 80%	81 to 90%	91 to 100%

Number of crew positions created annually who are non-LISA-resident Beneficiaries	1	2	3	4	5
	0 to 25%	26 to 60%	61 to 75%	76 to 90%	91 to 100%

Other benefits	0	1	2	3	5
	No other proposed benefits	Proposed benefits are expected to have a temporary and/or trivial impact	Proposed benefits are expected to positively impact the Designate, and/or possibly their crew, and/or possibly their dependents only	Proposed benefits are expected to have a positive impact on and beyond the Designate's immediate business and family, to a small number of Beneficiaries and/or Nunatsiavut, over a short or medium time frame <sup>27</sup>	Proposed benefits are likely to have a lasting positive impact on a small group of Beneficiaries and/or Nunatsiavut in a modest way <sup>28</sup>

<sup>27</sup> Taking part in fisheries consultations is an example of an action that would score 3 points. Fisheries consultations will not have an immediate impact on Nunatsiavut/other Beneficiaries the Designate's, but in the medium term can impact fishing and marine policies. Another example for scoring 3 points would be sponsoring jerseys for a local sports team as it impacts a small group outside of the Designate's immediate business and family in a small way.

<sup>28</sup> Giving a talk at the school about the commercial fishing industry is an example of what would score 6 points because it would impact school age children (small group) and will show students options for work as well as the Designate as a leader in the community; or donating to a community freezer or foodbank helps alleviate food insecurity for people in need so while it might be short term it has an immediate impact on vulnerable people.

Assessed Metric		Scoring Rubric	
		7	
	Proposed benefits are likely to have a lasting positive impact on many groups of Beneficiaries <sup>29</sup>		

<sup>29</sup> Participating as a mentor in youth programming within the LISA would be something that could score 7 points in “Benefits to Nunatsiavut” because though the number of youth would be limited but having a positive mentor will have a lasting impact; alternatively, doing a significant number of smaller contributions like fisheries consultations, buying jerseys for a local sports team, donating to a food bank/community freezer, and taking part in fisheries research could also be considered all together to be worth 7 points.

*Score Sheet*

The following page includes a score sheet that will be used by the Fishery Review Committee (FRC) to record an Applicant's scores. The final score of each Applicant and any comments will be recorded on this form and included in the confidential section appended to the Designation notice letters.

**Nunatsiavut Government's Multiyear Commercial Fishery Designation Policy  
Applicant Score Sheet**

Date: \_\_\_\_\_

Applicant: \_\_\_\_\_

<b>Evaluation Categories</b>	<b>Assessed Metric</b>	<b>Maximum Score</b>	<b>Applicant Score</b>
<b>Experience</b>	Commercial fishing experience	5	
	Commercial fishing experience as Captain and/or Mate	5	
	Commercial fishing experience as a Designate	10	
	<i>Sub-Total</i>	20	
<b>Past Performance</b>	Average percentage of Designations harvested annually	5	
	Adherence to previous Business Plan	9	
	<i>Sub-Total</i>	14	
<b>Structure</b>	Harvesting Plan structure	100	
	<i>Sub-Total</i>	100	
<b>Business Plan</b>	Feasibility of Harvesting Plan	5	
	Vessel Description	3	
	Presence of Business Plan components	5	
	Flexibility of Harvesting Plan	3	
	Validity of Business Plan assumptions	4	
	Feasibility of Business Plan	9	
	Responsible business practices	5	
	<i>Sub-Total</i>	34	
<b>Benefits to Nunatsiavut</b>	Number of LISA-resident Beneficiary crew positions created annually	20	
	Number of non-LISA-resident Beneficiary crew positions created annually	5	
	Other benefits	7	
	<i>Sub-Total</i>	32	
<b>GRAND TOTAL</b>		<b>200</b>	



**Comments on Application:**

## Schedule E – Tentative Designation Agreement

The following pages include the License and Designation Agreement that Designates must sign in order to confirm their Designations.

# Tentative Designation Agreement

**BETWEEN:** \_\_\_\_\_ of \_\_\_\_\_  
Designate Community

(Hereinafter referred to as “the Designate”)

**AND:** **Nunatsiavut Government**, as represented by the Minister of Lands and Natural Resources and the Department of Lands and Natural Resources  
(Hereinafter referred to as “NG”)

(And collectively referred to as the “Parties”)

**WHEREAS:** The Designate has applied for access to the commercial fishing licenses, allocations, and quotas owned by the NG for the purposes of commercially fishing;

**AND WHEREAS:** The Minister of Lands and Natural Resources (“Minister”), acting as the NG’s representative, has approved the Designate to hold a portion of the commercial fishing licenses, allocations, and quotas owned by the NG;

## **NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:**

1. The Designate shall be permitted to fish commercially the following portion of the NG’s commercial fishing licenses, allocations, and quotas:
  - a. [list species, fishing area, quota percentage],
  - b. [list species, fishing area, quota percentage],
  - c. [list species, fishing area, quota percentage],
  - d. [expand list as needed],
  - e. Collectively, these shall be referred to as the “Designation”;
2. The Designate shall abide by all of the conditions of this Tentative Designation Agreement (“Agreement”) included herein and those License Conditions imposed by Fisheries and Oceans Canada;
3. The Designate shall not be permitted to transfer a Designation;

4. The Designate must land all catches in Nunatsiavut unless written permission is granted by the Director to land elsewhere;
5. The Designate shall ensure that the vessel(s) used to harvest the Designation comply with all Transport Canada, Canadian Coast Guard and Fisheries and Oceans Canada regulatory requirements;
6. The NG shall not be responsible for any operating costs of the vessels;
7. The Designate shall ensure that dockside monitoring and at-sea observer coverage are arranged as per License Conditions issued by Fisheries and Oceans Canada;
  - a. Any costs associated with said coverage shall be the responsibility of the Designate;
8. The Designate shall pay an access fee to the NG in the amount of three percent of the net earnings by registered vessels owned by Beneficiaries and five percent of the net earnings by all other vessels. Said access fee shall be paid into the Nunatsiavut Commercial Fisheries Fund in accordance with the relevant NG policies;
9. The Designate shall be on board the vessel at all times while harvesting the Designation;
10. The Designate shall attempt to fish in accordance with the Harvesting Plan, Business Plan, and Benefits Plan submitted as part of the Designate's application for the Designation;
11. Following each year of fishing the Designation, the Designate shall submit an Annual Report in accordance with the NG's Commercial Fishery Designation Policy;
12. The Designate shall submit a photocopy of their logbook concurrently with each Annual Report;
13. This Agreement shall be in effect for the calendar years (defined as January 1 to December 31) of 20\_\_\_\_ to 20\_\_\_\_. Following expiry of the Agreement, the Designate forfeits all claims of access to the Designation to the NG;
14. The Minister retains full discretion to reduce or revoke the Designation at any time during this Agreement;
15. The Parties acknowledge that ownership of the Designation is retained by the NG at all times: before, during and after this Agreement.
16. If any provision of this Agreement is determined to be invalid or unenforceable in whole, or in part, such invalidity or unenforceability shall attach only to such provision, and all other provisions shall continue in full force and effect;

17. This Agreement is governed by the laws of Newfoundland and Labrador and Nunatsiavut as applicable and any dispute under or in relation to the Agreement that cannot first be amicably resolved between the Parties shall be settled by arbitration pursuant to the *Arbitration Act*;

18. This Agreement may be signed in any number of counterparts, each of which is an original, and all of which taken together constitute one single document. Counterparts may be transmitted by fax or in electronically scanned form.

**IN WITNESS HEREOF** the Parties hereto have this Agreement of the day and year written.

On behalf of Nunatsiavut Government

\_\_\_\_\_  
Director of Renewable Resources  
Department of Lands and Natural Resources

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Date

The Designate \_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature of the Designate

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Date

## Schedule F – Annual Report Template

The Annual Report should address five areas:

1. Quantity of the Designation harvested
2. Number of Beneficiaries employed (Labrador Inuit Settlement Area [LISA]-resident and non-LISA-resident)
3. Debt repayment or Joint Venture/Shareholder Arrangement terms met
4. Profits generated
5. Other goals, commitments, and so on.

Each section should be completed according to the directions on the Annual Report form. A copy of each Annual Report should be kept and submitted together following each year of the Multiyear Cycle. Be as detailed as possible to help the Fishery Review Committee (FRC) fairly evaluate your Annual Report. In addition, Designates shall attach photocopies of their logbooks to each Annual Report.

## Nunatsiavut Government Commercial Fishery Designation Annual Report

For more Information, contact Todd Broomfield, Director of Renewable Resources, at (709) 923-2365 ext. 227

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Name: \_\_\_\_\_ Beneficiary Number: \_\_\_\_\_

Email Address: \_\_\_\_\_ Telephone Number: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

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### Quantity of Designation Harvested

Complete the table provided below for any species that is part of your Designation.

Species	Area	Amount Designated (lbs)	Amount Harvested (lbs)
Snow crab	2HJN		
Snow crab	2J South		
Shrimp	SFA 4		
Shrimp	SFA 5		
Greenland halibut	2+3K Competitive		
Greenland halibut	Communal		
Scallop	Area 1		

Attach a photocopy of your logbook to verify these numbers.

Comment on any other additional and relevant fishing activities. If you were unable to fully harvest your Designation, comment on the reasons why; state if and how the situation was resolved and, if applicable, how you could avoid this situation in the future.

If more space is needed, attach additional pages as required.

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If applicable, attach any notices to the Director for uncaught Designations, and relevant certifications (e.g., Seafarer Fitness Certificate following medical problems).

**Number of Beneficiaries Employed**

Provide the number of Beneficiary crew positions that were created in the past year. Also indicate what percentage of the total crew positions were Beneficiaries. Do not include yourself in these numbers.

	Projected	Actual
Number of LISA-resident Beneficiary crew positions		
Percentage of LISA-resident Beneficiary crew positions relative to size of the total crew positions <sup>30</sup>		
Number of non-LISA-resident Beneficiary crew positions		

<sup>30</sup> To calculate the percentage: divide the subset by the total number then multiply by 100. For example, number of LISA-resident Beneficiaries divided by the total number of crew members. If the total crew is 10 people and the number of LISA-resident Beneficiaries within the crew is three, divide 3 by 10 (3/10) = 0.3 x 100= 30. Thus, the percentage of LISA-resident Beneficiaries is 30 percent.



Percentage of non-LISA-resident Beneficiary crew positions relative to size of total crew positions		
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Provide any additional comments on Beneficiary employment that are relevant. If more space is needed, attach additional pages as required.

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**Repayment of Debt or Joint Venture/Shareholder Arrangement Terms Met**

Describe whether the financing terms of your vessel ownership loan, Joint Venture/Shareholder Arrangement (as applicable) were met. Outline any challenges or successes you encountered. If more space is needed, attach additional pages as required.

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**Profits Generated**

List your project and actual total profits (also known as net income) for the year.

	Projected	Actual
Net Income for the Year		

Provide any additional comments on your net income that are relevant. If more space is needed, attach additional pages as required.

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**Benefits, Goals, & Commitments**

Not all benefits to Nunatsiavut come in the form of employment. Benefits may include, but are not limited to: formal mentorship of crew members, providing/attending additional training, fisheries research and development efforts, charitable contributions from revenue generated by Designations, and participation in fisheries consultations. Describe your progress including challenges and successes toward such goals and commitments as originally outlined in your application. Include a description of any costs incurred as a result of your efforts to achieve these goals and commitments.  
If more space is needed, attach additional pages as required.

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If there is any other information you would like to provide the FRC, attach it to your Annual Report. For example, if you have decided to expand your business in ways not outlined in your application, please describe these plans in detail.

*Please note that the Annual Report will be assessed based on the necessary supporting documents provided prior to or by the deadline of this Report.*

Completed Annual Report and a photocopy of your logbooks are to be returned to the attention of the Director of Renewable Resources *via* one of the following methods:

1. Hand delivery to Nain Administration Building, 25 Ikajuktauvik Road
2. Mail to the following address:  
Nunatsiavut Government, PO Box 70 Nain NL A0P-1L0
3. Email to: [colin.webb@nunatsiavut.com](mailto:colin.webb@nunatsiavut.com)
4. Fax to: (709) 922-2931

<u>Signature Required:</u>	
I certify that that the information I have provided is accurate and true.	
Designate's Signature:	Date:
_____	_____

## Schedule G – Annual Report Evaluation Guidelines & Grading Chart

### *Annual Report Evaluation Guidelines*

<b>Assessed Metric</b>	<b>Definition</b>
Quantity of the Designation harvested	The actual landed catch of the Designate as opposed to the projections outlined in the Designate's Harvesting Plan.
Number of LISA-resident Beneficiaries employed	The number of LISA-resident Beneficiaries employed as crew during the fishing season.
Number of non-LISA-resident Beneficiaries employed	The number of non-LISA-resident Beneficiaries employed as crew during the fishing season.
Debt repayment or Joint Venture/Shareholder Arrangement terms met	Whether or not the Designate has met or honoured their loan obligations or Joint Venture/Shareholder Arrangement terms as described in the Business Plan.
Profits generated	The amount of revenue remaining after all operating and other expenses were paid.
Other Benefits	Additional benefits or commitments pledged to the community in the Application by the Designate.

Annual Report Grade Chart

Grade	Definition
Exceeds expectations	The Designate exceeded their goals, commitments, and/or projections for all or most of the assessed metrics. In the case where most of the goals are exceeded, the remainder have been met.
Meets expectations	The Designate has met their goals, commitments, and/or projections for all or most of the assessed metrics. In the case where most of the goals are met, the remainder demonstrate an acceptable degree of progress towards completion.
Acceptable	The Designate demonstrated acceptable progress towards their goals, commitments, and/or projections for all of the assessed metrics, but has not yet achieved the projections from the application for Designation or previous Annual Report (if applicable).
Needs improvement	The Designate demonstrated some progress toward their goals, commitments, and/or projections for the assessed metrics, but requires significant effort in the coming year to improve their fishing operation. The Designate will receive a warning letter stating that continued lack of progress over the following year will result in a reduction of the Designation.
Unsatisfactory	The Designate demonstrated no progress toward their goals, commitments, and/or projections for the assessed metrics. The Designate will receive a letter that may include a warning, or a reduction or revocation <sup>31</sup> of the Designation. Continued lack of progress the following year could result in further reductions, revocation, or ineligibility in future rounds of applications.

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<sup>31</sup> A reminder that a revocation of a Designation makes one ineligible to apply to be designated for 2 years.

## Appendix A

### Nunatsiavut Commercial Fishery Designation Policy

#### At a glance

*Why is the Department of Lands and Natural Resources making changes to the Designation system?*

In 2017, the Nunatsiavut Executive Council approved the goal that within 15 years, 100 percent of the Nunatsiavut Government's communal-commercial fishing assets would be harvested by registered vessels owned and operated by Beneficiaries resident in Nunatsiavut. The reason for setting this goal was to increase revenue that the Nunatsiavut Government collects in Federal Government taxes. Under the *Labrador Inuit Tax Treatment Agreement*, the Nunatsiavut Government receives 95 percent of Federal income tax collected from individuals resident in the Labrador Inuit Settlement Area (LISA). Beneficiaries not resident in the LISA do not qualify under this Federal Tax agreement.

Under the current system of Annual Designations, most Designates are not vessel owners and harvest their quotas through Lease Arrangements with vessel owners. Under a Lease Arrangement, the majority of profits accrue to the owner of the leased vessel. When more LISA-resident Beneficiaries become vessel owners, the Nunatsiavut Government receives more revenue under the *Labrador Inuit Tax Treatment Agreement*. With more revenue, the Nunatsiavut Government can provide additional programming to all Beneficiaries.

The current system of Annual Designations does not allow Beneficiaries involved in the fishing industry to make business plans and invest in becoming registered-vessel owners or pursuing Joint Ventures (such as Shareholding or Lease-to-Own Arrangements).

*To which species does the new policy apply?*

This policy will apply to groundfish, snow crab and Northern shrimp Designations. It will not apply to Arctic char or scallop in the short term.

*Does the new policy change any regulations on harvesting fish for domestic and ceremonial use?*

No, this policy will not change any of the rights of the Labrador Inuit to harvest fish as stipulated in the Labrador Inuit Land Claim Agreement.

*Who can apply to be a Designate?*

Anyone over 18 who is a Nunatsiavut Beneficiary can apply to be designated by filling out an application form and submitting it to the Nunatsiavut Government during the Call for Applications. To be considered for a Designation, an individual must meet the eligibility criteria established in the policy.

*Who is eligible to be a Designate?*

To be eligible, an Applicant must be:

- A Beneficiary of the Labrador Inuit Land Claims Agreement
- At least 18-years old
- Hold a Professional Fish Harvester Level II Certification (or at least established a plan with the Director of Renewable Resources to pursue such certification)
- Hold Northern Labrador Core Status

Additionally, to be eligible, an Applicant must not have had a Designation revoked by the Department of Lands and Natural Resources (DLNR) in the past two years, and (in cases where it applies) has provided an approved Medical Certificate of Seafarer Fitness.

*Will there be Annual Designations under the new policy?*

Yes. Individuals requesting Annual Designation will submit completed applications through the same process as Eligible Individuals requesting Multiyear Designations, and will be graded using the same scale. However, it is important to note that Applicants applying for Multiyear Designations will be prioritized over Eligible Individuals applying for Annual Designations.

*Who assesses the applications?*

Applications will be assessed by the Fishery Review Committee (FRC). The FRC will be made up of the Director of Renewable Resources, the Fisheries Clerk, and the Fisheries Specialist from the DLNR, the General Manager and Assistant General Manager of Torngat Fish Producers Co-op, and when necessary, an independent member with recognized expertise in planning in the fisheries business and socio-economic development. The independent member would not be employed by the Nunatsiavut Government or Torngat Fish Producers Co-op. The goal of the FRC is to have individuals with a variety of experience and expertise in the commercial fishing industry.

*How is an application assessed?*

The FRC considers:

1. Experience (commercial fishing experience, experience as a Captain and/or Mate, experience as a Designate)
2. Benefits to Nunatsiavut (number of LISA-resident and non-LISA-resident Beneficiary crew positions created annually, other benefits)
3. Harvesting Plan Structure (vessel ownership, Lease-to-Own, Joint Venture/Shareholder Arrangement, or annual Cooperative Arrangement or Lease)
4. Business Plan (feasibility of Harvesting Plan, vessel description, presence of Business Plan components, flexibility of Harvesting Plan, validity of business expectations, feasibility of Business Plan, responsible Business Plan)
5. Past Performance (average percentage of Designation harvested annually, adherence to previous Business Plan)

Some categories are narrow in what they evaluate, but others have more flexibility. For example, a narrow category is commercial fishing experience, there are a specific number of fishing seasons that you have been fishing. A more flexible category is the “other benefits”. This includes formal mentorship

of crew members, providing additional training or attending additional training, fisheries research and development, and charitable contributions.

*Not all Beneficiaries are resident in the LISA, how will applications from non-LISA residents be assessed?*

The rankings for applications will be based in-part on maximizing employment of Beneficiaries who are resident in the LISA. Beneficiaries who are not resident in the LISA can also apply to be designated under the new policy and their applications will be the more competitive if they employ crew members who are Beneficiaries resident in the LISA. In addition to maximizing employment for Beneficiaries who are resident in the LISA, Applicants will be assessed in accordance with the policy.

It is important to note that the policy also considers factors of experience and past performance, a Business Plan, a Benefits Plan (which describes how the Designate plans to contribute to community and/or the fisheries), and the Designation request.

*Why do I have to submit an Annual Report?*

Annual Reports are an opportunity for the FRC to review how things went for Designates. What kind of challenges did they face? What were their successes? Members of the FRC have substantial experience in the fishing industry, so Annual Reports are an opportunity for them to review the business practices of Designates and to give advice and recommendations on how to improve. It is normal that things will not always go exactly according to plan. Designates may change their Business Plan during the fishing season in response to some unforeseen challenge, as long as the response is deemed reasonable, wise, and rational by the FRC.

In cases where a Designate has acted irresponsibly and unreasonably, their Annual Report will receive a grade of “Needs Improvement” or “Unsatisfactory”. In these instances, the FRC will provide written recommendations to the Deputy Minister of the DLNR about what their concerns were, including a description of what improvements will be required. These guidelines will be appropriate to the situation, clear in what the Designate is required to do, and achievable for the Designate. If the Designate repeatedly receives a grade of Needs Improvement or Unsatisfactory, a reduction in quota, a revocation of Designation, or a rejection of a future application may be imposed.

By having complete and detailed information about vessels and fishers in Nunatsiavut, the DLNR can respond better to the overall challenges that arise in our fishing industry. For example, in the case where a quota is reduced for one Designate, the DLNR and the FRC will have necessary information from the Annual Reports about which other Designate would be appropriate to be assigned extra quota.

*How will Annual Reports be assessed?*

The categories used to assess Annual Reports are:

1. Quantity of Designation harvested,
2. Number of Beneficiaries resident in the LISA employed,
3. Number of Beneficiaries not resident in the LISA employed,



4. Profits generated,
5. Debt Repayment, Lease/Shareholding/Cooperative Arrangement terms met,
6. Other benefits, which may include, but are not limited to: formal mentorship of crew members, providing/attending additional training, fisheries research and development efforts (e.g., quality improvement projects, gear-technology and emerging fisheries research), charitable contributions from revenue generated by Designations (Nunatsiavut-based programs), participation in fisheries consultations (e.g., held by Fisheries and Oceans Canada, the Nunatsiavut Government, or Torngat Fish Producers Co-op).

Using these metrics, members of the FRC will determine if Designates receive grades of “Exceeds Expectations” (exceeding their goals), “Meets Expectations” (meeting goals, being on track), “Acceptable” (demonstrated some progress but did not meet initial goals), “Needs Improvement” (some progress towards goals but requires a lot of effort to improve their operation in the coming year), or “Unsatisfactory” (no progress toward goals, will receive written warning or a reduction in quota or revocation of Designation).

Minister of Lands and Natural Resources:



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Date: May 11th, 2021