

**ABORIGINAL
FISHERIES STRATEGY
ANNUAL REPORT
1998-99**

Table of Contents

1.	General Overview of AFS	.....	1
2.	AFS Agreements	.....	1
	• Fishing Plans		
	• Communal Licences		
3.	National Perspective	.....	3
	• Total Budget		
	• Number of Agreements		
	• Number of People Employed		
	• Agreements by Region		
	• Employment by Region		
4.	Allocation Transfer Program	.....	5
	• Background		
	• National ATP Budget		
5.	Pacific	.....	6
	• Total Budget		
	• Number of Agreements		
	• Employment		
	• Commercial Licences		
	• Key Projects		
6.	Central & Arctic	.....	10

- Total Budget
- Community Fisheries Workers Projects
- Other Projects

7. Laurentian 12

- Northern Quebec
- Southern Quebec
- Key Projects

8. Scotia-Fundy 14

- Total Budget
- Number of Agreements
- Employment - Guardians
 - Science/Habitat
- Commercial Licences
- Key Projects

9. Gulf 17

- Total Budget
- Number of Agreements and Employment
- Commercial Licences
- Key Projects

10. Newfoundland 20

- Total Budget
- Number of Agreements and Employment

- Key Projects

11. Significant Issues in 1998-99 21

- Selective Fishing Activity
- Investment Returns Problems – 1998-99
- Interdepartmental Co-operation – Wagmatcook
- *Gathering Strength*

NOTE:

The information contained in this report is believed to be accurate but is not warranted. Any errors or omissions are unintentional.

General Overview of the Aboriginal Fisheries Strategy

The Aboriginal Fisheries Strategy (AFS) is a program that provides for the effective management of the Aboriginal fishery in a manner consistent with the Sparrow decision. This landmark Supreme Court of Canada decision found, among other things, that where an Aboriginal group establishes an Aboriginal right to fish for food, social and ceremonial purposes, this right, after conservation, has priority over any other user of the resource.

In accordance with negotiated, time-limited agreements, Aboriginal groups participate in the management of the fisheries and are provided with both allocations of fish and economic development opportunities. The Program applies where DFO manages the fishery, and where land claims settlements are not in place.

AFS Agreements

AFS Agreements are without prejudice to either party's position on Aboriginal rights. Agreements negotiated under the AFS contain an allocation to be harvested by the Aboriginal group, which is fished under a communal fishing licence. This allocation is determined after discussions with the group regarding their needs for food, social and ceremonial purposes. Agreements detail the terms and conditions to be included in the communal fishing licence, such as quantities, time, gear and data collection. Agreements may also contain other arrangements for the co-management of the Aboriginal fishery by the group and DFO, such as stock assessment, fish enhancement and habitat management projects. Commercial fishing and other economic development opportunities may also be negotiated as part of an AFS Agreement.

Fishing Plans

Fishing Plans, one component/schedule of an AFS Agreement, detail the numerical harvest levels which have been negotiated and established for fish for food, social and ceremonial purposes.

These plans establish the Fishing Authority and the plan to monitor fisheries harvests by members of the community who have been designated on behalf

of the community. The allocation sets the species and the quantities, times and gear to be used.

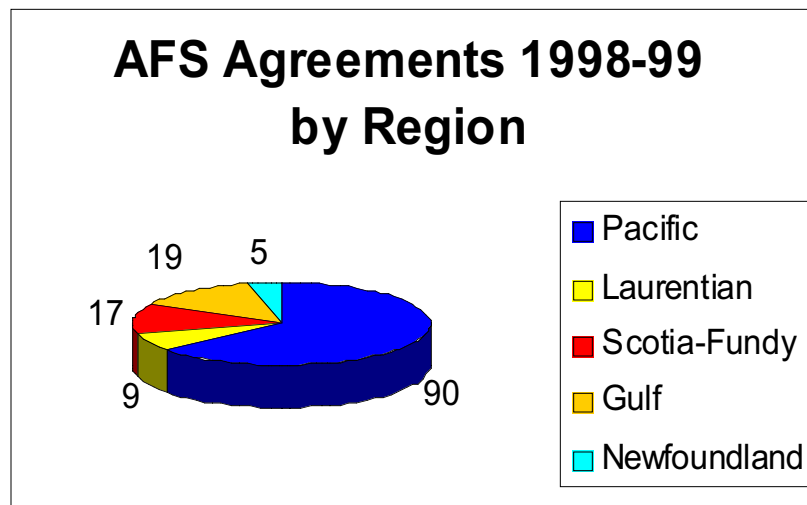
Communal Licences

The Aboriginal Communal Fishing Licence Regulations (ACFLR's) provide for the issuance of communal licences to Aboriginal groups. These licences include conditions for quantity of catch by species, gear time and area of harvest, and disposition of fish. The conditions for designating fishers and reporting requirements are also set out in the communal licence. Typically, communal licence conditions flow from the fishing plan within the AFS Agreement. However, where DFO cannot reach an agreement with a First Nation, a communal licence is issued. As per s.6(f) of the Policy for the Management of Aboriginal Fishing, the conditions will be minimal and will contain allocations based on the last offer made by DFO before termination of negotiations. The communal licences provide a way of integrating the management of Aboriginal fisheries with all other fisheries.

National Perspective

The Aboriginal Fisheries Strategy was funded at \$30.021M in 1998-99. This included \$22.621M for co-management expenditures and \$7.4M for the Allocation Transfer Program (ATP). \$2.4M¹ of the ATP funding came from the departmental budget and \$5M was a result of the Gathering Strength initiative.

140 AFS Agreements were signed with 115 groups in British Columbia, Quebec and Atlantic Canada.² These Agreements have resulted in the creation of 1103 seasonal jobs in areas such as processing, monitoring and enhancement activities. 191 of those employed through the AFS are Aboriginal guardians, trained by DFO and employed by the Aboriginal group. A schedule of the AFS Agreement sets out the duties and responsibilities of Aboriginal guardians. 912 jobs were created nationally in the fisheries management field (habitat restoration, stock assessment, fisheries enhancement, etc.), and in the areas of consultation and economic development.

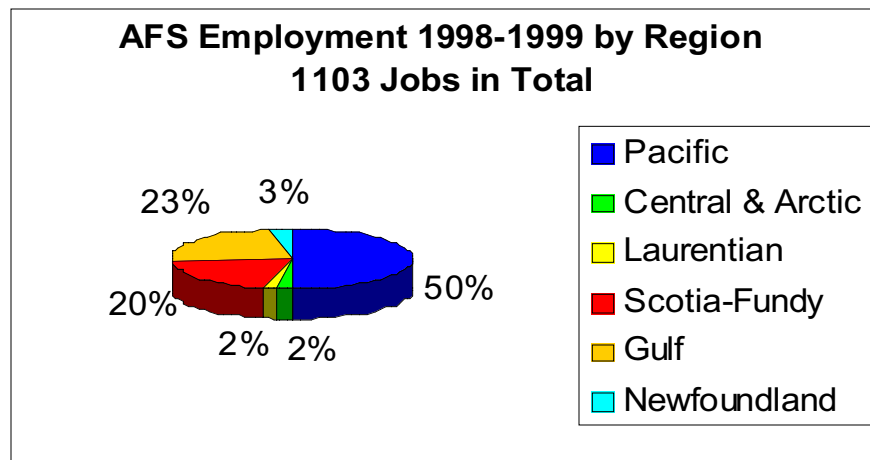


¹ This was reduced from \$2.6M due to a mid-year Department-wide reduction exercise.

² Central and Arctic Region does not have AFS Agreements but contracts projects with Aboriginal groups.

EMPLOYMENT UNDER AFS – 1998-99

REGION	GUARDIANS	OTHERS	TOTAL
PACIFIC	90	460	550
CENTRAL & ARCTIC	0	21	21
LAURENTIAN	6	18	24
SCOTIA-FUNDY	37	191	228
GULF	32	220	252
NEWFOUNDLAND	26	2	28
TOTAL	191	912	1,103



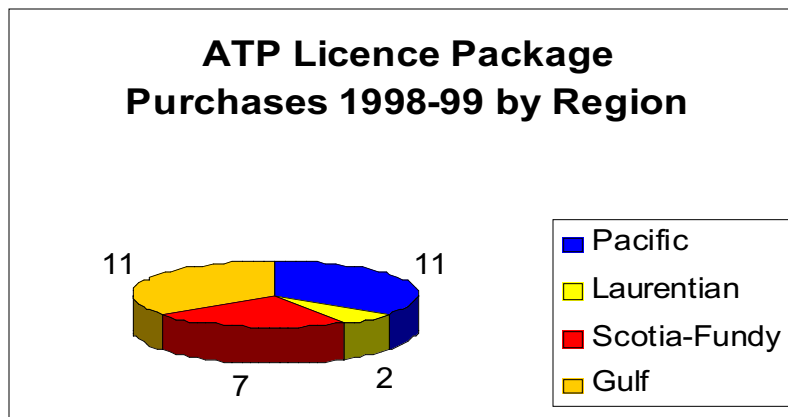
Allocation Transfer Program

BACKGROUND

In 1994 the AFS was amended to include the Allocation Transfer Program (ATP). The ATP supports Aboriginal groups in achieving self-sufficiency through participation in commercial fisheries. The ATP facilitates the voluntary retirement of commercial licences and the issuance of new licences to eligible Aboriginal organizations in a manner that does not add to the existing effort on the resource. As a result of changes in 1998, funding may also be provided to purchase equipment, such as vessels and/or gear necessary for Aboriginal groups to fish these licences. Eligibility is restricted to Aboriginal organizations that have fisheries agreements with DFO under the AFS. It is a means to stimulate Aboriginal economic development opportunities and develop fisheries expertise in Aboriginal communities.

NATIONAL ATP BUDGET

As mentioned earlier, the ATP was funded at \$7.4M in 1998-99. 31 commercial licence packages were retired nationally, and 16 licence packages were issued to Aboriginal groups in 1998-99 under the ATP. Thirteen vessels were purchased and made available to Bands in 1998-99. The remaining licence packages will be made available to Bands under future agreements.



Pacific Region

TOTAL BUDGET

The core budget for 1998-99 in Pacific Region was \$19,950,000, which included \$15,950,000 for co-management and \$4,000,000 for the ATP. \$29,000 of O&M was returned at year-end as surplus to Regional needs, so the total co-management spending was \$15,921,000.

In addition, the funds below were provided from other sources to flow to groups through the AFS:

Group	Source of Funding (\$000)					Total
	Restructuring	Oceans	HRSEP	Treaty Negotiations Unit	DIAND	
AFS Selective Fishing Agreements	999.2					999.2
BCAFC		50.0		30.0	80.0	160.0
CCRIFC			25.0			25.0
Gitanyow	31.0					31.0
Gitksan	25.0					25.0
Haida	90.6					90.6
Haisla	10.0					10.0
Kitasoo	20.0					20.0
Nisga'a	235.0					235.0
Nuxalk		21.0				21.0
SNFC			45.0			45.0
Wet'suwet'en	10.0					10.0
Total	1,420.8	71.0	70.0	30.0	80.0	1,671.8

Number of Agreements

The following Agreements were negotiated in 1998-99:

- 48 Contribution Agreements;
- 6 Fisheries Agreements;
- 30 Multi-year Agreements were renewed; (29 Fisheries Agreements and 1 Contribution Agreement)
- 3 Allocation/Fisheries Agreements;
- 1 Fisheries Resource Protection and Conservation Subagreement;
- 1 Communal Commercial Fisheries Access Subagreement; and,
- 1 Razor Clam Sub-Agreement.

Employment

In 1998-99 approximately 90 Aboriginal Fisheries Guardians were employed for a total of 530 months and another 460 people were employed for a total of 1470 months in other projects funded through the agreements.

Commercial Licences

1998-99 Allocation Transfer Program licence retirement:

Halibut

• L48	
\$ 1,140,090	
• L139	
\$ 408,975	
• L141	
\$ 233,519	
• L339	
\$ 401,376	
Sub-total	
\$ 2,183,960	

Crab

• R318	\$ 285,000
--------	-------------------

Shrimp

• S105	\$ 68,500
• S228	\$ 90,000
Sub-total	\$ 158,500

Salmon –Seine	
• AS472	\$ 420,000
Salmon – Gillnet (Taku River)	
• 77063	\$ 26,000
Rockfish	
• ZN117	\$ 74,200
Vessel & Gear	\$ 675,000
Grand Total	\$ 3,822,660

The return in 1998-99 to the AFS from use of commercial licences was \$357,000

KEY PROJECTS

Carrier-Sekani Tribal Council – Stellako Counting Fence

Funding and technical support was provided to the operation of a counting fence on the Stellako River. In addition to enumerating returning salmon, fish were harvested from the fence to meet some of the food, social and ceremonial needs of the community.

Sechelt Indian Band – New Selective Fishing Technique

The Sechelt Indian Band has undertaken the development of a new selective fishing technique for the seine fishery, in conjunction with a major fishing company (Ocean Fisheries Ltd.) and an aquaculture company (Target Marine Inc.). The project involves adapting already effective technologies to develop a system that protects weaker stocks, allows quicker sorting, and reduces fish stress and mortality during a mixed stock seine fishery. This new technique has proven very successful and there are plans to test it in actual fishing conditions aboard a seine vessel in 1999.

Ensuring the Future – B.C. Aboriginal Fisheries Officers Conference

On October 13, 1998, *Ensuring the Future*, the first B.C. Aboriginal fisheries officers conference was hosted by the Kwakiutl Territorial Fisheries Commission and B.C. Aboriginal Fisheries Commission. This conference brought Aboriginal Fisheries Officers (AFO's) together with provincial and federal government representatives to share experiences and skills. This conference addressed several issues, including community capacity, envisioning a future for the AFO program, the work of AFO's and the relationship between AFO's and the federal and provincial governments.

Central and Arctic Region

TOTAL BUDGET

In 1998-99, the Central and Arctic Region operated on an annual Aboriginal Fisheries Strategy budget of \$200,000, all in O&M.

Community Fisheries Workers Project

For 1998-99 the bulk of this funding, \$145,000, was used to finance the Community Fisheries Workers Project. Under this project, field workers contracted by seven Aboriginal organizations in six communities fostered co-operative management at the community level, allowed interaction with Bands, management boards and Hunters and Trappers Associations, established co-operative projects, gathered harvest information, helped improve fish handling and processing practices, conducted conservation education and conducted co-operative fishery management projects.

The co-operative fishery management projects involve stock assessment programs, stock identification programs and community surveys. The latter assisted in gathering traditional knowledge of stocks and fishing patterns and in involving the community in solutions to fishery management problems.

Projects took place at Hay River on Great Slave Lake, Fort Resolution, Fort Smith, Fort Providence, Fort Simpson and Kakisa. An Aboriginal graduate of a Renewable Resources Technology Program, who was hired as the AFS Co-ordinator, facilitated the overall co-ordination of the program.

In all, the equivalent of 255 days of contracted employment was provided to individual Aboriginals or private Aboriginal businesses. In addition, the equivalent of 495 days of contracted employment was provided through contracts with First Nation organizations, for a total of 750 days of contracted employment.

Other Projects

\$35,000 was spent in 1998-99 on the Great Slave Lake Advisory Committee (GSLAC). This Committee advises DFO on fisheries in Great Slave Lake, which comprises the largest commercial fishery in the Northwest Territories. The remaining funds are used to help Aboriginal people travel to international meetings, which are of importance to DFO and to Aboriginal fishers. It also

covers travel costs for Aboriginal people to attend workshops and community meetings.

DFO is experiencing excellent results working with Aboriginal groups in the Northwest Territories using funding provided by the AFS. Interest in the program has grown and often exceeds DFO's ability to fund projects.

Laurentian Region

NORTHERN QUÉBEC

Kativik Regional Government Agreement

This agreement allowed for the conservation, protection and management of fisheries resources in the marine waters surrounding Northern Québec. The agreement covers the whole territory of Nunavik. Fourteen communities take part and 21 seasonal jobs (one coordinator, six fishery guardians and fourteen community agents) are created. Total costs for this agreement were \$368,000.

Makivik

In conjunction with Makivik's Nunavik Research Centre (NRC), this agreement allows DFO to have a coordinated collection of beluga samples from the harvest within Nunavik. Members of the local Hunting, Fishing and Trapping Associations (HFTA) gather samples from beluga and related information and send them to the NRC for analysis. Total project costs were \$11,000.

EMC-Eco Marine Corporation

This agreement provides material and specialized expertise to carry out the publishing of two brochures : “**Studying the Movements of the Beluga Whale**” and “ **Identifying the stocks of Belugas in Nunavik- the role of genetics**”. These brochures, translated from English into Inuktitut and French, will help to communicate information important to the Inuit communities. Total project costs are \$22,280 over two fiscal years, \$15,250 for 1998-1999 and \$7,030 for 1999-2000.

Student Projects

Three student projects were also initiated, one each at the Inukjuak, Sept-Iles and Québec City offices. Total project costs amounted to \$6,800.

SOUTHERN QUÉBEC

Subsistence agreements

In total seven agreements were signed with various band councils to establish the needs and quantities required for an AFS agreement :

Montagnais Nation :	Essipit :	\$ 15,000
	Betsiamites :	\$ 10,000
	Uashat-Maliotenam :	\$ 16,000
	Matimékosh :	\$ 20,000
Micmac Nation :	Listiguj :	\$ 27,600
	Gesgapegiaq :	\$ 5,300
Maleseet Nation :	Viger :	\$ 9,500

Commercial licences

Two lobster licences were retired, one for \$65,000 and one for \$185,000.

KEY PROJECTS

For Northern Québec, the key project was the Fishery Guardian Agreement with the Kativik Regional Government. In Southern Quebec, it is impossible to single out one key project as all are very important at this early stage of implementing the AFS in this area. It is encouraging, however, that much new interest in the AFS program is being shown in this Region.

TOTAL BUDGET

The total operating budget for Scotia-Fundy Sector for 1998-99 was \$4,072,300. This included \$2,433,300 for co-management and \$1,639,000 for the ATP. It also included a top-up of \$154,000 from NHQ.

Number of Agreements

A total of 17 Agreements were signed with 16 groups.

Employment

In 1998-99 approximately 37 Aboriginal Fishery Guardians were employed for a total of 231 months. Approximately 191 other workers were employed for a total of 584 months in other projects funded through AFS Agreements.

Commercial Licences

The ATP budget for Scotia-Fundy Sector for 1998-99 was \$1,639,000. This included a top-up from Headquarters of \$69,000 and \$70,000 from a departmental surplus of G&C at year-end.

1998-99 Allocation Transfer Program licence retirement:

Gaspereau

- 1 \$ 25,000
- 1 \$ 22,000

Sub-total \$ 47,000

Sea Urchin

- 1 licence & vessel **\$150,000**

Lobster

- 1 licence \$ 93,000
- 1 licence and gear \$ 50,000

- 1 lobster & groundfish
with vessel \$236,000

Sub-total \$379,000

Tuna

- 1 licence & vessel **\$178,500**

4 vessels \$585,472

Gear and Equipment **\$150,495**

Grand Total **\$ 1,490,467**

KEY PROJECTS

Eskasoni Fish & Wildlife Commission - Herring Study

The Commission has for the past four years been conducting a biological study of herring and associated species in the Bras d'Or Lakes of Cape Breton, N. S. as a basis for improved fisheries management.

In 1998-99 a survey of spawning areas was continued to determine locations of spawning sites and to determine changes, if any, in the number and locations of spawning areas. Many of the coves and shorelines of the Bras d'Or Lakes were surveyed using boat and "egg grabber", and also by snorkeling.

No spawn was found at fifteen of the sites monitored, while spawn was detected at five sites, three of which were new sites that had not shown spawn the previous year. This detailed egg bed survey data will be useful for efficient fisheries management of the resource.

Kingsclear First Nation - Keswick River Enhancement

The Kingsclear First Nation / Keswick River Society cooperative project along the Keswick River in New Brunswick continued for its third year. Again this year a crew from the Kingsclear First Nation assisted the Keswick River Society with various efforts, including conducting of stream surveys in the Keswick River. These surveys contain data regarding the quality and quantity of suitable fish habitat components such as water, oxygen, stream flows, bottom make-up, and other factors. Also this year, the Kingsclear crew was able to gain experience in the rearing of young salmon in a satellite-rearing tank along the Jones Fork section of the river.

Woodstock First Nation - Science & Technology Camp

Woodstock First Nation carried out for the second year running a Science and Technology camp for children of the community. An Aboriginal Sciences student from the First Nation was employed to carry out the actual camp activities. Children in the age group 10-14 thoroughly enjoyed the camp, which encouraged positive attitudes towards the Sciences, particularly relating to fisheries.

The students were engaged in many activities to enhance their knowledge of the science of fisheries. A highlight of the camp was a canoe trip arranged for the students. The children followed brooks and streams by canoe and were taught to identify various species of plant life and habitat along the way. It is hoped that this successful educational experience for the youth of the community will continue as an annual event.

Maritimes Region - Gulf Sector

TOTAL BUDGET

Gulf Sector AFS had a total operating budget for 1998-99 of \$4,205,030. This included \$2,643,650 for co-management and \$1,500,000 for the ATP. It also included a top-up from NHQ of \$61,380 (\$10,250 co-management and \$51,130 ATP).

Number of Agreements and Employment

19 Agreements were signed resulting in employment for approximately 252 Aboriginal people. 32 of those employed were Aboriginal Guardians, and the others were in the fields of Science, Habitat, and Administrative Support.

Commercial Licences

Eleven commercial multi-licence packages and six vessels, as well as assorted electronic and fishing gear were purchased in 1998-99 under the ATP. Eight packages and the six vessels were made available to Aboriginal groups in this region.

1998-99 Allocation Transfer Program licence retirement:

Multiple licence packages

- lobster, herring, mackerel and equipment \$ 74,000
- lobster, herring, mackerel, groundfish and equipment \$ 68,500
- lobster, herring, mackerel vessel and equipment \$ 110,000
- lobster, herring, mackerel, gaspereau (bait), smelt, oyster vessel and equipment \$ 260,000
- lobster, herring, mackerel vessel and equipment \$ 150,000
- lobster, herring, mackerel, groundfish, oyster, vessel and equipment \$ 170,000
- lobster, herring, mackerel, groundfish-gillnet, tuna \$ 110,000
- lobster, herring, mackerel, oyster, softshell clams, hardshell clams, mussel, vessel and equipment \$ 122,000
- lobster, herring, mackerel,

oyster, vessel and equipment\$ 120,000

- lobster, herring, mackerel,
eel, vessel and equipment \$ 152,000

Sub-total \$ 1,336,500

Smelt

- 1 licence and equipment \$ 23,000

Vessel \$ 66,625

Grand Total \$ 1,426,125

KEY PROJECTS

Miramichi River Stock Assessment

Two Micmac First Nations have combined their efforts with the DFO Science staff to conduct stock assessment population estimates of Atlantic salmon returning to the Miramichi River.

Annual investigations carried out through the Aboriginal Fisheries Strategy, include the tagging of large salmon and grilse at Natuaquanek or Eel Ground First Nation and recapture of tagged fish up-river at Metepenagiag or Red Bank First Nation in the tidal waters of the Northwest Miramichi. The trap nets used for stock assessment double as food fishery traps.

To ensure that sufficient tags are applied down-river at Natuaquanek First Nation, that community has decided to use other gear to harvest a limited number of Multi Sea Winter (MSW) fish while tagging and releasing all MSW salmon captured in their trap nets. Metepenagiag First Nation has decided not to fish gill nets, but rather to harvest Atlantic salmon from their recapture trap nets after all appropriate scientific data has been recorded there.

Burnt Church Stock Status Report

The Esgenoôpetitj or Burnt Church First Nation has carried out similar work on Atlantic salmon on the Tabusintac River, which flows into the north side of Miramichi Bay. In 1998-99, under the Aboriginal Fisheries Strategy, this Micmac Community was the first ever in Atlantic Canada to plan and carry out a stock assessment, conduct a workshop, prepare a research document, present the document to peer review and publish a stock status report on the subject.

Newfoundland Region

TOTAL BUDGET

The co-management budget for Newfoundland Region for 1998-99 was \$829,000. This included a top-up from HQ reserve of \$229,000.

Number of Agreements and Employment

Agreements were signed with five Aboriginal groups in this region in 1998-99. These agreements resulted in the seasonal employment of 26 Aboriginal people. 24 were employed as fishery guardians and two in other areas of fisheries management.

KEY PROJECTS

Communal Commercial Crab Fishery – LIA – Northern Labrador

1998 saw the successful establishment of a 400 MT snow crab quota for Northern Labrador in Crab Fishing Area 01 and the designation of six CORE fishers from the Labrador Inuit Association. The licence permitted them to use up to six fishing vessels with 500 crab pots each. Crab processing took place at the Torngat fish plant in Makkovik employing approximately 80 local people. This project proved to be very beneficial as a pilot project and it is expected that it will continue for 1999.

Salmon Stock Assessment on the English River – LIA

This river is located in Northern Labrador and following negotiations between Science and the Labrador Inuit Association, it was proposed to commence with an eight-year survey of the river. The Project started in 1998 with the purchase of necessary material and transporting of it to the site. It is expected that the work will commence when environmental conditions permit in 1999.

Significant Issues for the 1998-99 Season

Selective Fishing

In June of 1999, in response to conclusive scientific evidence indicating a continued decline in wild coho stocks, Minister David Anderson announced the \$400M Coho Recovery Plan. This Plan incorporated significant new initiatives in enforcement, enhancement and stock assessment to protect and restore coho stocks in all areas of coastal B.C. The Minister declared selective fishing to be a cornerstone for conservation-based management and for a sustainable fishery for the future.

First Nations supported the Minister's decision on coho conservation measures. 19 Aboriginal groups signed selective fishing and/or restructuring Agreements with DFO under this program, for a total contribution of \$1,420,800.

This funding came from the Coho Recovery Plan budget, and was transferred to the Bands through AFS Agreements, as this mechanism was already in

place, and the process is understood and accepted by First Nations. It is a good example of how the Department can benefit from the existing AFS processes to cash manage this type of funding program. It eliminated the time and additional cost which would have been involved had it been necessary to implement a separate Agreement arrangement for this program. It also enhanced the Department's credibility with First Nations in that, because of our ability to make use of AFS funding on a temporary basis, until the Coho Recovery funding became available, they were able to benefit from selective fishing projects during this fishing season.

1998-99 First Nations Selective Fishing Projects

NAME OF BAND	DESCRIPTION OF PROJECT	AGREE.NO.	FUNDING @
Ditidaht	Selective Fisheries Projects	CA 98-646	\$47,000
Gitanyow	Selective Fisheries Project	CA 98-658	\$30,000
GWWA	Selective Fisheries Projects	CA 98-644	\$212,890
Huu-ay-aht	Selective Fisheries Project	CA 98-653	\$12,000
Kitselas	Selective Fisheries Project	CA 98-647	\$55,740
Kwantlen	Selective Fisheries Project	CA 98-659	\$47,300
Matsqui	Selective Fisheries Project	CA 98-651	\$71,100
Nanaimo	Selective Fisheries Project	CA 98-661	\$7,600
Sechelt	Selective Fisheries Projects	CA 98-652	\$80,000
Shuswap	Selective Fisheries Project	CA 98-645	\$71,218
Skway	Selective Fisheries Project	CA 98-654	\$75,031
Tsimshian	Selective Fisheries Project	CA 98-656	\$41,000
T'sou-ke	Selective Fisheries Project	CA 98-649	\$40,000
Yale First Nation	Selective Fisheries Projects	CA 98-642	\$210,000
		Total	\$1,000,879

* \$999,200 was provided from Coho Restructuring. Nanaimo Agreement was topped-up by \$1,700K by Region

1998-99 First Nations Restructuring Projects

NAME OF BAND	DESCRIPTION OF PROJECT	AGREE. NO.	FUNDING @
Kitasoo Indian Band	Charter Patrol	AFA98-348-2	\$20,000
Haida Tribal Group	Fisheries Restructuring	CA 98-667	\$90,600
Nisga'a Tribal Council	Fisheries Restructuring	CA 98-665	\$235,000
GWWA	Fisheries Restructuring	CA 98-664	\$10,000
Gitanyow	Fisheries Restructuring	CA 98-666	\$31,000
Gitskan	Fisheries Restructuring	ACA 98-664	\$25,000
Haisla	Fisheries Restructuring	CA 98-668	\$10,000
		Total	\$421,600

Investment Returns Problems 1998-99 Season

When the ATP was introduced in 1994, one of its stated goals was to increase commercial fishing opportunities for Aboriginal groups. As part of the First Nations' Business Plans under AFS Agreements involving ATP licences in British Columbia, groups deriving benefits from these licences would contribute a part of their profits to the overall cost of their AFS projects.

Although there have been a few cases where, due to unforeseen circumstances, Aboriginal groups have been unable to satisfy their commitment under the Business Plan, for the most part, this has been a successful initiative.

The 1998 fishing season, however, presented challenges for fishermen in all sectors, and the Aboriginal groups were no exception. Salmon returns were lower than expected for many species in B.C., and First Nations did not realize the profits from their licences they had projected. This meant that they were unable to contribute the amount they had agreed to, and their AFS projects were jeopardized.

Because of the special circumstances occurring this season, Pacific Region AFS staff reallocated existing AFS funds to increase the mandates of affected groups to allow a one-time top-up to cover the re-investment shortfalls.

It should be emphasized that funding for this top-up was only available this year due to extraordinary circumstances, and this assistance should not be expected in future years.

Interdepartmental Co-operation – Wagmatcook

In April 1998, the Wagmatcook First Nation and Canada, represented by the Department of Indian Affairs and Northern Development (DIAND), entered into a Financial Transfer Agreement (FTA). DFO agreed to participate in the FTA on a pilot basis.

Under the FTA, DIAND transfers block funding to the Wagmatcook First Nation for several programs. Block funding is very attractive for Wagmatcook as it reduces administrative costs related to several different funding arrangements. It also permits the First Nation to better manage their finances. DFO's participation is limited to funding only. All other aspects of the Fisheries Agreement are maintained in the same manner as with other First Nations.

Under a Memorandum of Understanding between DFO, DIAND and Wagmatcook, the AFS funding allocation for 1998-99 was transferred to DIAND to be dispersed by DIAND to Wagmatcook, as per an agreed upon cash flow statement between DFO and Wagmatcook.

There are a few exceptions to the Terms and Conditions for the Aboriginal Fisheries Strategy in this Agreement. Rather than submit separate quarterly financial statements to DFO, it was agreed that Wagmatcook could submit a detailed project description at the beginning of the fiscal year, followed by mid-season and final year-end progress reports. In addition, under the terms of the FTA, Wagmatcook submitted a detailed financial audit to DFO on completion of the project.

Regional officials have indicated that this arrangement has led to improved relations with the Wagmatcook First Nation and has not limited the administration of the Fisheries Agreement. It is anticipated that other groups may have some interest in similar arrangements, but it may not be appropriate for all First Nations. DFO will proceed very cautiously with this initiative, and it will be dealt with on a case by case basis. Consideration will be given to requests from First Nations that have established a good working relationship with DFO, and have demonstrated sound financial and management accountability.

Gathering Strength

On January 7, 1998, the Government of Canada announced *Gathering Strength: Canada's Aboriginal Action Plan*, which responded to the Report of the Royal Commission on Aboriginal People and created a framework to address the needs and priorities of Aboriginal people in Canada. It builds on the principles of mutual respect, mutual recognition, mutual responsibility and sharing which were identified in the report of the Royal Commission.

Gathering Strength has as its basis four main objectives; Renewing Partnerships; Strengthening Aboriginal Governance; Developing a New Fiscal Relationship; and Supporting Strong Communities, People and Economies. DFO's involvement has been identified under the second and fourth objectives.

In the 1998 Federal Budget, the Government of Canada identified new program funding for the economic development initiatives in the *Agenda for Action*. From this, ongoing funding of \$5M annually, beginning in 1998-99, was specified for the ATP component of the AFS. It has recently been confirmed that this funding will continue through 2001-2002, with levels increasing to \$7M for 1999-2000 and \$10M thereafter.