

D5 Discussion Paper

IFQ Access Opportunities- Global Examples

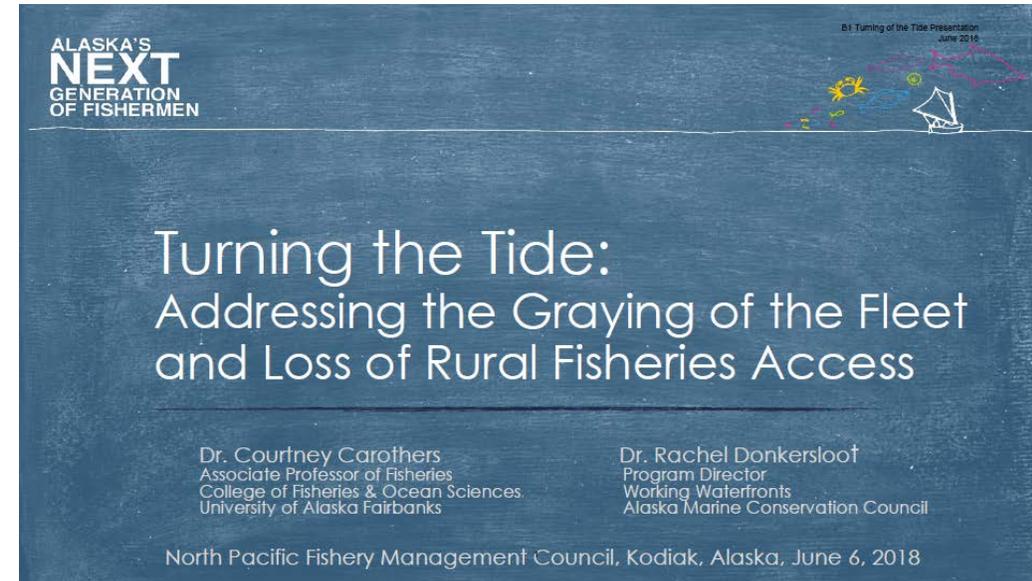
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Background

June 2018- Council requested Discussion Paper

- Response to community access and entry opportunity challenges identified in the 20-year review of IFQ program and related public testimony
- Review existing programs that facilitate access opportunities for rural communities and new entrants within limited access fisheries
- Evaluate Norway's Recruitment Quota and similar global examples



Background

Open Access

- Environmental, economic and social challenges
- Over-exploitation, overcapacity, inefficiency, safety issues
- Halibut/sablefish- shorter seasons, “derby”, safety concerns, lower quality product, prices

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Limited Access

- Limit access
- Reduce capacity
- Distribution of access, disproportionately impacts specific populations
- Design aspects to maintain access

Norway Recruitment Quota (RQ)

- Implemented in 2009, administered by Minister of Fisheries (elected), input from Directorate (advisory)
- Recruit young harvesters from open group to closed group
- Quota taken off top, distributed to ~10 recipients per year
- Awarded for 10-year period
- Must be harvested by recipient (no transfers/sales)
- Returns to quota pool if recipient leaves fishery

Norway Recruitment Quota (RQ)

Eligibility criteria

- <30 years old
- >50% ownership of “open group” vessel <15m
- Earned fishing income threshold
- Cannot own >49% of “closed group” vessel
- Safety training

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Additional selection priorities

- Formal fisheries education
 - high school studies
 - captains license
- Years of experience on their own vessel or as harvesters on other vessels in the fishery
- Gender
- Regional distribution

Norway Recruitment Quota (RQ)

- Generally perceived positively
- More contentious with recent stock/quota declines
- Fairness issues- free “golden ticket” unavailable to previous generations or eligible applicants not selected
- Controversy regarding selection priorities
- Successfully recruited young people into “closed group”
 - 10th year, white paper in prep

Access program design

Target population

- young people
- small-scale fishermen
- indigenous populations
- rural communities
- low income
- disenfranchised populations

Mechanism

- separate allocation
- different criteria/rules
- opportunity to buy in
- permit bank
- open access
- technical assistance
- educational support
- financial support
- direct marketing

Global examples of access opportunity programs

Country	Program	Objective	Administration	Target Population	Mechanism	Quota Source	Alaska Counterpart
Norway	Limits on Transferability	Slow down the concentration of IVQs, geographically and within large companies, to preserve a diverse fleet structure. To slow down any increase in prices	government	all participants	different criteria/rules	N/A	Many of the catch share program in the Alaska region include limits on transferability. For example, in the IFQ Program the quota must be used by the assigned vessel class in the assigned IPHC area, limits on acquiring blocked/unblocked QS, and QS use caps.
	Open Group Fishery	A compromise to accommodate part-time and small-scale fishers who did not qualify for IVQs in 1990.	government	disenfranchised; low-income; small-scale (boat size, gear type, trip length)	open access; separate allocation	redistribution	Somewhat similar to the Entry Level longline fishery in the CGOA Rockfish Program, which does not require quota to access. However, the Entry Level fishery does not have an income threshold requirement.
	Provisions to protect Indigenous Access	Improve access for Norway's Indigenous Sámi population	government	indigenous	open access; separate allocation	redistribution	Some similarities to the CDQ Program - in that it identifies communities where Native people live, but it doesn't necessarily ensure that the benefits ONLY go to the Native people in those communities.

Global examples of access opportunity programs

Country	Program	Objective	Administration	Target Population	Mechanism	Quota Source	Alaska Counterpart
Iceland	Community Quota	Economic development for coastal communities	government	rural/coastal communities	separate allocation	redistribution	There are some similar to the CDQ and CQE programs, except here the communities don't hold access to the quota. Quota is allocated from the government directly to the qualifying fishermen, but the communities can specify their priority requirements for the allocation.
	Coastal Fishing (Quota-Free Fishery)	Open up access to fisheries as a response to a 2004 UN Human Rights Committee ruling that said the ITQ system violated the human right to work; and to offer economic development opportunities in the rural fishing villages.	government	rural/coastal communities; small-scale (boat size, gear type, trip length)	open access; separate allocation; different criteria/rules	redistribution	Somewhat similar to the Entry Level longline fishery in the CGOA Rockfish Program, which does not require quota to access. In practice, this fishery appears to be much more competitive than the Entry Level fishery.

Global examples of access opportunity programs

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Canada	Atlantic Shrimp Fishery “Adjacent to the Resource” Allocation	Economic development for coastal communities	government	rural/coastal communities	separate allocation	redistribution	Similar to CDQ. Community allocations of an offshore resource can be fished by larger firms; royalties may be used to support a small-scale inshore fishery, local processing capacity, and economic development.
	Prince Edward Island Future Fisher Program	Training and financial assistance for resident fishermen who obtained a commercial license after a defined cut-off date	government	youth/crew/recent entrants; rural/coastal communities	educational support; technical assistance; financial support	N/A	Federal Loan Program, Sitka apprentice program
New Zealand	Annual Catch Entitlement (ACE)	Allow those who do not own quota shares in a fully allocated fishery to annually lease the opportunity to fish (alternative to purchasing the underlying QS)	government	all participants; disenfranchised; youth/crew/recent entrants	opportunity to buy in	purchase (lease)	Analogous to IFQ in the Halibut/Sablefish Program (as distinct from QS). Prior to introduction of ACE, the only way to secure the opportunity to fish was to purchase quota shares, which created a higher barrier to entry and little opportunity.

Global examples of access opportunity programs

Country	Program	Objective	Administration	Target Population	Mechanism	Quota Source	Alaska Counterpart
US (not AK)	The Cape Cod Fishery Trust	ensure the profitability and sustainability of local, small-scale fishing businesses as the scallop and groundfish fisheries transitioned into catch share management programs	NGO	rural/coastal communities; small-scale (boat size, gear type, trip length); low income	permit bank, financial support, technical assistance	purchase	Alaska Sustainable Fisheries Trust, local fish fund, BBEDC Permit Loan Program
	Maine Lobster Island Limited Entry	Opportunities for year-round island community residents	government	rural/coastal communities	different criteria/rules	N/A	Nothing specifically analogous. Somewhat similar to some CDQs and CQEs that have specified community residence requirements, but Maine program is specified in regulation and involves separate spatial management area.
	Maine Lobster Student Licensing	Youth entry into lobster fishery	government	youth	different criteria/rules	N/A	N/A
	Eastern Maine Skippers Program	Help facilitate young people staying in fishing industry and staying in local communities	NGO	youth, rural/coastal communities	educational support	N/A	ALFA young fishermen's initiative, AKMCC young fishermen's network, young fishermen's development act (proposed)

Benefits/challenges in NPFMC region

- Legal considerations
 - Communities (NS4, Halibut Act)
 - Age-based criteria
- Distributional impacts
 - Fully-allocated fishery
 - Initial allocation, high abundance, payment
 - Quota restrictions
 - efficiency tradeoffs
- Mitigate access challenges

Next steps

- Identify specific objective of access program including target population and mechanism(s) for increasing access opportunities
 - If the mechanism involves creating a separate quota allocation, identify potential quota source(s)
- Define success
 - Identify metrics that would be used to determine if an access program is achieving its goals and objectives
- IFQ Committee review
 - Subcommittee with target population?