

QIA Blog Post: Strengthening the Inuit Economy

Introduction

Economic development is an important way to affirm and enact Inuit jurisdiction and authority while building an Inuit economy.¹ QIA is seeking ways to manage the risks associated with Nunavut's current economy, which focuses heavily on the extraction of non-renewable resources. One way to expand Inuit economy is to focus on improving the relationship Inuit have with the "Blue Economy"² but focusing on sustainable, meaningful employment and related economic opportunities to improve the well-being of Inuit now and generations into the future.

QIA identified Nunavut fisheries as holding many potential opportunities in helping create such an economy. In Nunavut, fishing represents an important economic base for Inuit specifically, which has important socio-economic impacts – for example, commercial fishing licences are all held by Inuit-owned companies, and the industry is intended to create locally based training and job opportunities specifically for Inuit. QIA also sees a unique opportunity and alignment with the current Federal Government's stated mandate to (1) improve relationships with Indigenous peoples; and (2) increase protected areas by 30% by 2030.

However, developing and expanding Nunavut fisheries into a viable pillar of the Nunavut economy requires addressing unequal and unjust treatment of Inuit within the fisheries, including inequity in Nunavut adjacent waters (which are marine areas located in the Davis Strait offshore as defined by the Nunavut Agreement). To date, Inuit have not seen their fair share of quota in the adjacent water fisheries due to the Federal Government's (via the Department of Fisheries and Oceans and the Coast Guard ("DFO")) failure to act to fairly distribute commercial fishing licences in adjacent waters as required by Article 15 of the Nunavut Agreement.³ As a result of this failure, Nunavut interests only hold around 52% of the quota in our adjacent waters, which can be

¹ Inuit Economy refers to activities that are informed by and support Inuit culture, language, family, and community structures resulting in economic benefits for Inuit.

² Blue economy refers to the ways the ocean can contribute to an economy in a sustainable way.

³ The principles in section 15.3.7 of the Nunavut Agreement are intended to recognize that Nunavut communities are best positioned to benefit culturally and economically from the fisheries in these waters because of their closeness to the resource and the often otherwise limited alternative economic opportunities available to Nunavut when compared to other jurisdictions in Canada. Section 15.3.7 of the Nunavut Agreement requires that the Federal Government pay special consideration to these principles when making decisions related to licences in Nunavut adjacent waters.

compared to other adjacent water jurisdictions, which typically hold around 80%-90% (like British Columbia or Newfoundland).

QIA is advancing the rights and interests of Qikiqtani Inuit through building a multi-track approach to fisheries reconciliation grounded in Saimaqatigiingniq⁴. We summarize QIA's multi-track approach below.

Summary of QIA's multi-track approach towards Fisheries Reconciliation

Fisheries reconciliation supports and is informed by QIA's 2022-2026 Strategic Plan. After extensive internal review, and in close consultation with Qikiqtani Inuit, QIA developed the 2022-2026 Strategic Plan to reflect what we learned from communities and guide QIA's mandate, including QIA's work in fisheries reconciliation. The Strategic Plan identifies 10 broad goals intended to ultimately benefit Qikiqtani Inuit, all of which are being advanced through QIA's fisheries reconciliation mandate – including, in particular, the goals to:

- Diversify QIA revenue streams to enhance economic self-sufficiency.
- Generate and sustain social and economic benefits through Inuit lead economic activities and strategic partnerships in community infrastructure;
- Negotiate and implement IIBAs and other partnership agreements in an accountable manner to maximize benefits for Inuit.
- Strengthen Inuit lead governance to increase influence over decision making; and
- Expand QIA's community presence while increasing opportunities for Qikiqtani communities to inform QIA decision making.
- Safeguard the collection of Inuit Qaujimajatuqangit
- Increase Inuit access to childcare, education, skills, and employment to strengthen Inuit self-reliance;

Fisheries is an underdeveloped pillar of the Nunavut Economy. Related to QIA's Strategic Plan, there are significant and valuable opportunities for Inuit in accessing and developing fisheries within Nunavut's adjacent waters. To better understand the consequences on Inuit resulting from the Federal Government's failure to increase access to the fisheries, QIA carried out an economic analysis to calculate the economic benefits lost from 1993-2022. The results of the analysis revealed that significant direct

⁴ Saimaqatigiingniq is an approach to reconciliation that involves past adversaries coming together, meeting in the middle, and reaching outcomes with which both parties are at peace.

and indirect economic benefits for Inuit are being lost. The analysis estimates that Inuit have lost approximately:⁵

- ~\$600 million in direct economic benefits;⁶ and
- ~\$450 million in economic opportunities.⁷

These economic losses are likely to extend into the future if there is no change in approach and decision making in Nunavut's adjacent waters fisheries quota by the Federal Government. Thus, QIA is attempting to work with the government to finally address this chronic issue through a fisheries reconciliation approach to quota distribution. Increasing Inuit participation in fisheries is therefore a tangible way QIA can advance economic development while minimizing the need to further expand non-renewable resource extraction activities.

QIA's Regional Conservation Strategy is a key proposal in achieving Saimaqatigiiniq through aligning QIA's strategic priorities with the Federal Government's commitment to protect land and waters. QIA is proposing an integrated Inuit-led Regional Conservation Strategy using a whole-of-government-approach to enhance the Inuit economy in five key areas:

- 1. Inuit-led Governance on a Regional Scale** through community level committees to act on Inuit responsibilities and as co-governance models.
- 2. Expanding the Nauttiqsuqtiit Programs to all Qikiqtani Communities** to employ more Inuit across the Qikiqtani to reinforce Inuit stewardship as a key activity that supports maintaining Inuit culture, to community well-being together with Inuit-led monitoring and reporting on community defined priorities.
- 3. Infrastructure Support** to resource essential infrastructure needs in Nunavut – including multi-use facilities and related infrastructure supporting Inuit stewardship and governance.
- 4. Sustainability of Inuit-led Conservation** through a sustainable finance mechanism designed to support long-term Inuit-led conservation and stewardship activities while promoting sustainable development and fisheries management.
- 5. Fisheries Reconciliation**, including through a Qikiqtani Fisheries Reconciliation Agreement with the Federal Government to resulting in full, equitable, and sustainable participation of Qikiqtani Inuit in fisheries.

⁵ These figures are adjusted to reflect 2023 values.

⁶ Direct costs are associated with the historical distribution of quotas.

⁷ This includes compensation, royalties, and profits.

QIA is specifically engaging with the DFO Environment and Climate Change Canada (“ECCC”) and the broader philanthropic community spearheaded by the Enduring Earth initiative to establish a Qikiqtani Project Finance for Permanence Agreement (the “Q-PFP”).

In December 2022, Prime Minister Justin Trudeau allocated up to \$800 million Canadian to Indigenous-led conservation initiatives, including Q-PFP, underscoring the Federal Government’s commitment to advancing this work. Subsequently, in June 2023, the Government of Canada formalized a mandate to negotiate the Q-PFP, highlighting the need to secure resources from philanthropic organizations.

In October 2023, QIA successfully negotiated an Agreement-in-Principle for the Q-PFP and aims to reach a Q-PFP Final Agreement in June 2024. The main objective of the Q-PFP will be to reinforce Qikiqtani Inuit control and care of the land and water. Through a Q-PFP, QIA is proposing an Inuit led governance structure for 998,4670 km², together with 195,000 km² of new protection, and stronger standards for what is already protected, totaling over 690,000 km².

To advance the Q-PFP, QIA is engaging in a negotiated Project Finance for Permanence (PFP) model, which will facilitate partnerships (including mechanisms for funding contributions) with Federal Government, as well as contributions from Canadian and international donors.⁸

QIA is challenging in court the DFO’s recent decision to transfer valuable Nunavut adjacent water licences to non-Inuit southern interests. In September 2021, QIA and NTI filed a judicial review in federal court to legally challenge a decision made by the DFO Minister in July 2021. The Minister’s decision approved the transfer of certain commercial fishing licences held by Clearwater Seafoods Limited Partnership (“**Clearwater**”) to FNC Quota Limited Partnership (“**FNC**”) and Premium Brands Holding Corporation.

These licences are important to Inuit because they included valuable licences located in Nunavut’s adjacent waters where Inuit have not been fairly represented in the distribution of that fishery (please see the introduction section above for more information). Nunavut adjacent waters licences also rarely come up for sale or transfer because there are relatively few and they are extremely valuable, so this was an important opportunity for the DFO to implement section 15.3.7 of the Nunavut Agreement. When implemented, section 15.3.7 functions as an important tool to uphold

⁸ Through their mandate, the Government of Canada requires a minimum of 1:4 matching ratio whereby philanthropy contributes at least one dollar for every four dollars that the federal government contributes towards the PFP.

the promises within the Nunavut Agreement and achieve the intended purpose behind section 15.3.7 to address the chronic inequity in Nunavut adjacent waters.

The court is set to hear the challenge (known as a “judicial review”) on October 16-18, 2023, in Iqaluit.

Judicial Review Questions and Answers

1. What is a Judicial Review?

A judicial review is a type of legal proceeding where a party that has interests or rights at stake in a decision made by an administrative decision maker (such as a government board, tribunal, or a Minister) may file to challenge that decision in court. The court then may review that decision to see if the decision was unlawful, unreasonable, or unfair.

2. What is QIA looking to get out of the Judicial Review?

The licences approved for transfer by the Minister from Clearwater to FNC included valuable licences located in Nunavut's adjacent waters.

QIA, along with the support of NTI, is challenging the decision in court because we argue that the Minister did not follow their obligations under the Nunavut Agreement. QIA and NTI are arguing that:

- The Minister has failed to implement s.15.3.7 by not especially considering the impact of reissuing these licences on the fair distribution of licences in adjacent waters and on the Inuit economy, and in doing so acted unreasonably, contrary to the honour of the Crown⁹; and
- The process the Minister used to reach their decision was procedurally unfair.

3. Are there specific types of fish involved in the Judicial Review?

The species directly involved with the licences in question are Turbot (also known as Greenland Halibut) and Northern Shrimp.

⁹ The honour of the Crown is a constitutional principle that is always at stake when the "Crown" – for example, the DFO Minister – is dealing with Inuit as Indigenous peoples. It requires that the Crown follow certain high standards when interacting and engaging with Indigenous peoples to foster a "positive long-term relationship between Aboriginal and non-Aboriginal communities." It can require that the Crown take certain actions, including the requirement that the Crown diligently implement treaty promises.

4. How long has QIA been actively trying to get additional fisheries?

QIA's related and predecessor organization have been involved in efforts to increase Inuit interests in the fisheries since well before the ratification of the Nunavut Agreement.

5. Who else is involved in the Judicial Review?

QIA is bringing the judicial review with the assistance of NTI. QIA worked collaboratively with NTI and QC to collect evidence to use in the judicial review. QIA has also worked with other organizations in parallel – such as Oceans North and the Government of Nunavut – to support QIA efforts in various processes related to this judicial review.

6. When will QIA hear about the results of the Judicial Review?

A decision will be released after the hearing set to for October 16-18, 2023, in Iqaluit. Generally, the federal court releases decisions within 3-9 months after a hearing – but courts can release their decisions immediately after a hearing or take upwards of a year.