



# FEDERAL FRAMEWORK FOR ABORIGINAL ECONOMIC DEVELOPMENT

## STRATEGIC PARTNERSHIPS INITIATIVE (SPI)

### **Atlantic Commercial Fisheries Diversification Initiative (ACFDI)**

### An Application Guide for Mi'kmaq & Maliseet First Nations



Indian and Northern  
Affairs Canada

Affaires indiennes  
et du Nord Canada



Fisheries and Oceans  
Canada

Pêches et Océans  
Canada

Applications should be addressed to:

Kevin Fram, ACFDI Authority  
Atlantic Commercial Fisheries Diversification Initiative  
Ecosystems and Fisheries Management  
Fisheries and Oceans Canada  
200 Kent Street  
Ottawa, ON  
K1A 0E6  
kevin.fram@dfo-mpo.gc.ca

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**Project Management:**

Kevin Fram  
Director, Atlantic Integrated Commercial  
Fisheries Initiative (AICFI)  
Aboriginal Programs and Governance

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## INTRODUCTION

This document reviews the Atlantic Commercial Fisheries Diversification Initiative (ACFDI) and provides answers relating to general implementation of work. The ACFDI assists eligible Mi'kmaq and Maliseet First Nations (MMFNs) and their commercial fishing enterprises (CFEs) that meet the prerequisites and apply for capacity building support. Description of the contents of applications, the process whereby applications are submitted, how the applications are assessed and by whom, and follow-up activities constitute the major part of this document. Application procedures are set out here in detail to support the brief overview provided in the *Application Guide Summary*.

A major emphasis of the ACFDI is to support the enhancement of the 35 Mi'kmaq and Maliseet First Nation (MMFN) commercial fisheries operations and fisheries enterprises (CFE) in Nova Scotia (NS), New Brunswick (NB), Prince Edward Island (PEI), Québec (QC) and Newfoundland (NL), specifically to build capacity and enhance long-term sustainability of commercial fisheries activities. These eligible communities and their commercial fishing enterprises are referred to throughout the document as MMFN/CFEs. In support of these goals, ACFDI provides critical, practical assistance to MMFN/CFEs which complements other capacity building activities, including management and technical human resource development, being carried out through other initiatives. It must be noted that up to 90% of eligible project costs may be available as a non-repayable contribution. Consequently, the application must show a minimum 10% contribution to eligible cost by the applicants.

As governance documentation and business planning and other capacity build-up has developed, MMFNs have been encouraged to seek support for their commercial fisheries diversification interests, such as opportunities in: fish buying, packaging, processing and marketing; commercial fisheries services – marine servicing including building and repair of vessels and fishing equipment; aquaculture and fish/shellfish grow-up activities; and fisheries-related tourism.

The Strategic Partnership Initiative (SPI) with Indian and Northern Affairs Canada (INAC) through its strategic partner and ACFDI Authority, Fisheries and Oceans Canada (DFO) will implement the initiative. The latter will take on management responsibilities, including general ACFDI administration and due diligence. Processes are established to protect confidentiality of MMFN/CFE's information.

Through SPI, INAC maintains delivery of the financial contribution to projects while arranging to assist MMFNs by taking advantage of the existing (proven and tested) AICFI process. They also have the DFO, AICFI Authority carry out the management of the diversification activities. The management process includes the capacity building involvement of the Atlantic Policy Congress of First Nation Chiefs Secretariat (APC) as service provider with their Business Development Team (BDT). The latter is being expanded from the original four (4) staff members under AICFI to six (6), in order to be able to cover the wider commercial fisheries subject matter and increased number of projects under ACFDI.

A significant level of funding is available (approximately \$2M per year for three years). However, the level of support available to each applicant is limited and a rigorous

application review process is required to achieve a fair distribution. Applicants may also need to be encouraged to seek other supplementary sources of support to ensure that the proposed project will meet the critical short-term capacity-building needs of the MMFN or CFE. In some cases, ACFDI support should be considered as complementing other, more substantial sources that may be available. With the broader approach taken, APC's Business Development Team (BDT) can be of assistance to MMFN/CFEs by advising on the strategic use of other capacity-building opportunities (e.g. AICFI) and additional outside funding opportunities and sources.

The following information, discussion and suggestions are presented in sections titled: confidentiality issues, steps in making an application for ACFDI support, examples of proposals that could be submitted for ACFDI support, and project considerations. A list of the main parties involved in ACFDI implementation is provided below.

The list of parties involved in the general implementation of ACFDI includes:

- Indian and Northern Affairs Canada (INAC)
- Mi'kmaq and Maliseet First Nation (MMFN) Communities and their Commercial Fishing Enterprises (CFEs) nominated by the community
- Atlantic Policy Congress of First Nation Chiefs Secretariat (APC)
- APC Business Development Team (BDT)
- ACFDI Authority, DFO
- DFO Maritimes, Gulf, Québec and Newfoundland and Labrador Regional Staff (including Aboriginal Program Coordinators)
- Third Party Evaluator (Evaluator)
- Application Review Board (ARB)

## CONFIDENTIALITY ISSUES

A major factor in long-term sustainability and commercial success of a fishing enterprise is confidentiality surrounding planned capacity building and business development strategies. In order to participate in ACFDI, an MMFN community is required to have developed, either independently or in conjunction with the Business Development Team, a Commercial Fisheries Business Plan (BP) relating to the proposed work. The BP remains confidential unless the MMFN chooses to release it; however, it must be made available for review by the Third Party Evaluator.

The BP does not have to be supplied as part of the application. Instead, a Business Case, developed by the community or CFE with assistance from the Business Development Team, must be attached to the application confirming alignment of the proposed work with the MMFN's Commercial Fisheries Business Plan (BP) relating to the application. Existence of the BP is confirmed on the application form (template).

The ACFDI general implementation process has been designed to accommodate this need for confidentiality while still ensuring fair and equitable assistance is provided in response to applications. The process necessarily puts special responsibility on the Business Development Team to provide the required assurances to MMFNs regarding confidentiality of their commercial fisheries plans. Consequently, the Team will provide information in the Business Case concerning alignment of proposed projects with the

applying MMFN's or CFE's capacity building and long-term sustainability goals, to make an evaluation process possible.

The rigorous application evaluation process will also be carried out under strict confidentiality by those involved. When projects are approved, details of the work being carried out remain confidential. Decisions concerning release of business and technical details of the work being carried out under approved projects rests with the MMFN community doing the work.

**Please Note:**

In order to make an application for ACFDI support, MMFN communities or their CFEs must have: (1) a Commercial Fisheries Business Plan relevant to the application, (2) an accounting system which allows full and effective monitoring of financial transactions associated with the project and commercial fishing activity being proposed, and, (3) evidence of the availability of the financial contribution required from the applicant.

**STEPS IN MAKING AN APPLICATION FOR ACFDI SUPPORT**

Text in this section sets out the process in detail. A summary of all participants' tasks and responsibilities is provided in Table 1, followed by Figure 1, which provides a flowchart representation of the general implementation process.

**Preparation and Submission of ACFDI Application**

An application consists of a completed application form/template plus attachments, namely: a work plan, schedule and breakdown of estimated costs, a Business Case, and a supporting letter from the Chief and Council.

Interested MMFN/CFEs must prepare an application consistent with the guidelines and application form/template and submit the completed application to the DFO ACFDI Authority. The Business Development Team (BDT) must be consulted to help develop the MMFN/CFE's Business Case, at no additional cost to the community. Where a broader approach to proposed work is taken by the MMFN/CFE, the BDT may make suggestions for complementary funding options.

**Application Evaluation Process**

On receipt of each application, the ACFDI Authority checks to confirm that the form has been completely filled out and all attachments are present. If any parts are missing, DFO returns the application to the applicant for follow-up. When all parts of the application are in place, the ACFDI Authority forwards it to the appropriate Regional DFO staff for comment, the Third-Party Evaluator (Evaluator) for assessment, and the Application Review Board (ARB) for early review.

The Evaluator will act as a technical assistant to the ARB in evaluating applications, particularly in relation to the technical and economical feasibility and practicality of work proposed and its alignment with MMFN/CFE capacity-building and sustainability goals of the initiative.

The Evaluator first ensures that the application and attachments contain all necessary technical and other information. When all information is available, the Evaluator assesses the application and supporting documentation for internal consistency, practicality, and relevance to MMFN/CFE capacity building and sustainability, and prepares a report and recommendations. The report and recommendations are forwarded to the ACFDI Authority and then to the ARB.

**Table 1 – Summary of Tasks and Responsibilities – ACFDI Participants**

<b>Mi'kmaq and Maliseet First Nations and their Commercial Fishing Enterprises (MMFN/CFEs)</b>
Tasks
<ol style="list-style-type: none"> <li>1. Choose project and carry out an initial study to determine (a) overall work required, (b) that work is in line with long-term capacity-building goals of the MMFN/CFE, and (c) availability of suppliers of equipment/services needed to carry out each part of the work proposed.</li> <li>2. Notify the ACFDI Authority of interest in applying for ACFDI support.</li> <li>3. As required, contact the Business Development Team (BDT) for advice in relation to preparation of documentation needed for the ACFDI application. Seeking BDT advice is optional except in relation to the Business Case required as part of the ACFDI application.</li> <li>4. Prepare a Business Plan (BP) dealing with all aspects of the proposed project. If necessary, divide the overall project into a sequence of phases, bearing in mind that only those phases that can be completed within one fiscal year can be funded and no commitment for funding in future years can be made.</li> <li>5. Prepare a Business Case for the proposed work. Contact BDT for advice in relation to the Business Case. (See ANNEX D for Business Case evaluation guidelines.)</li> <li>6. Prepare a complete work plan for the application including a detailed list of tasks to be completed, timelines for completion of each task and costs associated with each task. Tasks set out in each application must be able to be completed within the fiscal year and a 10% minimum financial contribution by the applicant to project costs must be shown.</li> <li>7. Provide copies of quotations from suppliers to backup summarized costs of the work proposed. Where there are several suppliers providing similar goods/services, provide quotes from more than one source for comparative purposes.</li> <li>8. Ensure that process for financial management of project-related expenses/activities is in place.</li> <li>9. Submit completed application to ACFDI Authority together with a supporting letter from Chief and Council.</li> <li>10. Work with Third Party Evaluator to ensure that all relevant backup documents/information are available to the Evaluator including:               <ol style="list-style-type: none"> <li>a. The project-related BP;</li> <li>b. The operating financial management system; and</li> <li>c. Access to the project manager and staff for Evaluator interviews.</li> </ol> </li> <li>11. After the proposed project is approved, MMFN negotiates and signs a contribution agreement (CA) with INAC. Signed CAs will be administrated by the ACFDI Authority. MMFN/CFE prepares and submits reports as agreed in the CA.</li> </ol>

### **Atlantic Policy Congress of First Nation Chiefs Secretariat (APC)**

#### **Tasks**

1. Contributes to providing ACFDI information to MMFNs.
2. Through an INAC contribution agreement APC acts as service provider for the Business Development Team (and involving Ulnooweg Development Group Inc.).
3. On an ongoing basis, monitors and guides program implementation through the AICFI/ACFDI Management Committee, which meets on a monthly basis.
4. Participates in the Application Review Board as Secretariat (ex-officio non-voting member).

### **Business Development Team (BDT)**

#### **General**

Upon request and at no additional cost to MMFN/CFEs, the BDT provides supporting business and economic advice and guidance for the creation of relevant Business Plans (BPs), the Business Case and other documentation required for the ACFDI application. In relation to the Business Case, consultation with the MMFN/CFE is mandatory prior to submission of their application.

All business matters discussed with MMFN/CFEs will be held in confidence by the BDT member(s) involved. The BDT is being expanded from the original AICFI group to include two additional members, one specializing in aquaculture and one in a wide range of commercial fisheries diversification areas.

#### **Tasks**

1. Provide a range of business management, planning and development advice, and guidance related to capacity building in commercial fisheries and related projects, including for example:
  - a. Assessment of needs and opportunities.
  - b. Business planning and implementation strategies.
  - c. Effective financial management processes.
  - d. Development of plans, milestones and schedules for evaluation of progress against plans.
  - e. Work with MMFN/CFEs to develop a Business Case for each ACFDI application ensuring the alignment of work with the community's overall capacity building goals.

### **Third Party Evaluator (Evaluator)**

#### **Tasks**

1. Confirm that ACFDI application is complete.
2. Visit the applying community to check that:
  - a. Financial management system for the project is in operation.
  - b. A project-related BP is in place and in line with the Business Case.
3. Analyze paperwork and crosscheck with suppliers, service providers, facilities proposed, technical personnel with expertise in the field, DFO regional staff, and individuals with economic/business experience in relation to the financial viability of the project.
4. Based on findings, prepare a report and recommendations for use by the ACFDI Authority and Applications Review Board.
5. Be prepared to provide additional advice/clarification to the ARB through attendance at Board meetings or otherwise.



### **Application Review Board (ARB)**

#### **General**

The ARB evaluates applications for ACFDI funding based on the MMFN/CFE applications, the Evaluator's report and broader regional MMFN economic development goals. The Board consists of four voting members (three First Nation and one non-native) together with three non-voting ex-officio members. (APC, DFO, and INAC representatives).

#### **Tasks**

1. Review MMFN/CFE applications.
2. Review Third Party Evaluator's reports.
3. Meet to discuss applications and decide on acceptance, conditions and recommended level of ACFDI support.
4. Make suggestions regarding complementary funding sources where appropriate.
5. Report on decisions to the ACFDI Authority.

### **Fisheries and Oceans Canada (DFO)**

#### **Tasks**

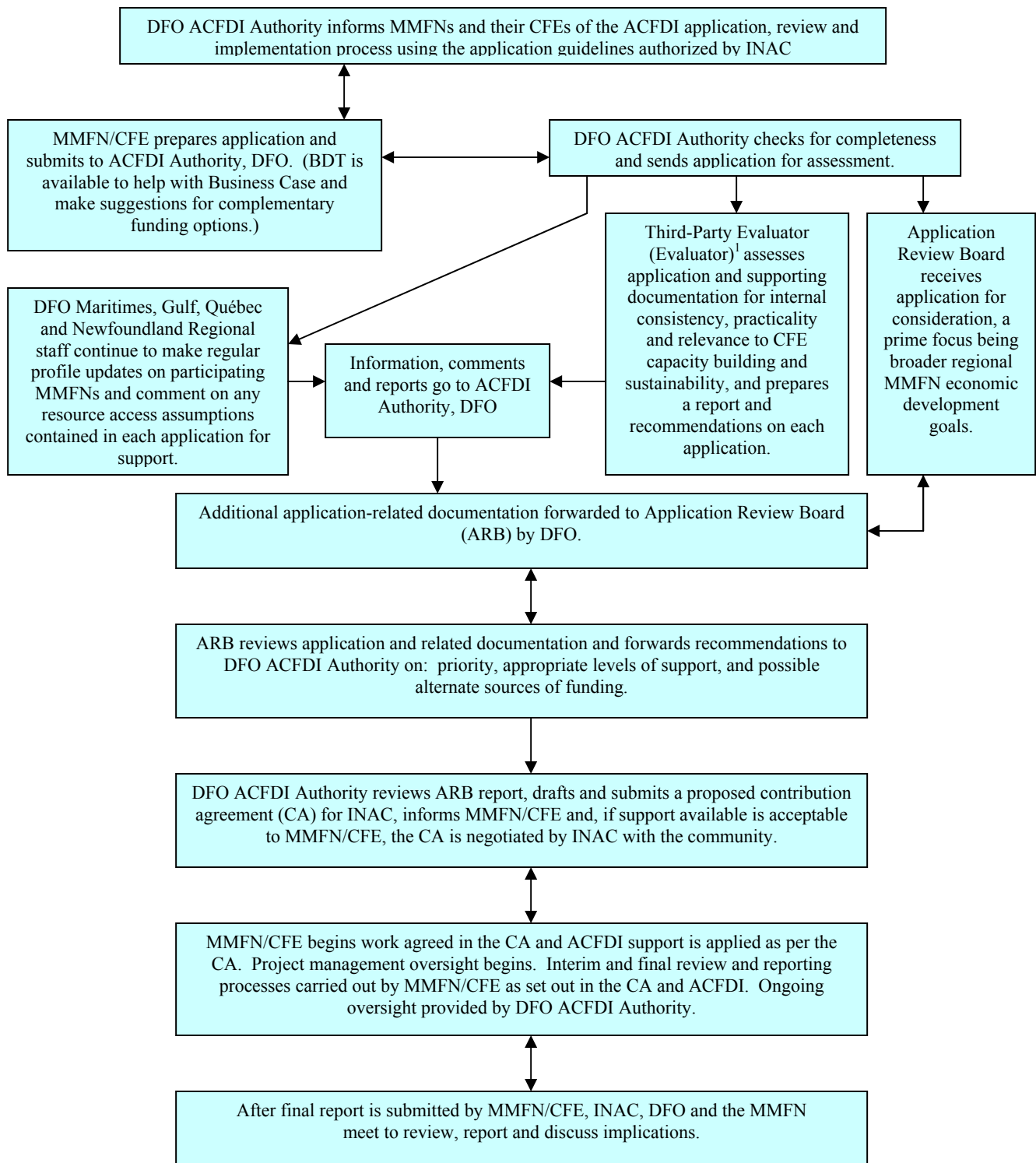
1. Proactively informs MMFNs about the scope of the ACFDI support available including the Strategic Partnership Initiative (SPI), types of commercial fisheries business activities supported and capacity building opportunities, and application guides.
2. Undertakes to adjust and implement the proven AICFI oversight process to suit the broader MMFN commercial fisheries subject matter supported by ACFDI.
3. Provides DFO ACFDI Authority and Regional and Area input required for project evaluation and implementation.
4. Receives ACFDI application from MMFN/CFE, checks for completion and, when complete, forwards to ARB, Third Party Evaluator and DFO Regional Offices.
5. Receives Evaluator's report and arranges for review and meeting of ARB.
6. ACFDI Authority participates in ARB meetings as ex-officio member and receives decisions, conditions and suggested level of support for use in drafting contribution agreement with applicants (MMFN/CFEs) and service providers (APC).
7. Submits draft contribution agreement to INAC for negotiation/signing with applicant.
8. Implements oversight process for project delivery and reporting, and contacts INAC to trigger phase and final payments.
9. Prepares ACFDI annual reports on status of the initiative.

### **Indian and Northern Affairs Canada (INAC)**

#### **Tasks**

1. Provides funding through the Strategic Partnership Initiative (SPI) for the Atlantic Commercial Fisheries Development Initiative (ACFDI).
2. Participates in Application Review Board (ARB) meetings as non-voting ex-officio member.
3. Receives draft ACFDI contribution agreements (CA) prepared by ACFDI Authority reflecting ARB decisions on applications including conditions and suggested levels of funding.
4. Negotiates and signs a CA with each successful applicant.
5. Works with the ACFDI Authority to implement oversight process.
6. Receives interim and final reports from DFO triggering phase and final payments.
7. Prepares INAC reports as required for SPI.

Figure 1. General Implementation Process Flow Chart - ACFDI



Notes:

1. ACFDI employs the Evaluator and uses the Evaluator's Terms of Reference prepared by DFO including work description, application evaluation guidelines and response timelines.
2. The existing ARB is expanded to four board members (three First Nation and one non-native), providing Secretariat support (DFO and APC) and Terms of Reference, including operational guidelines and timelines for the review process. An additional ex-officio member representing INAC/SPI will also be invited to attend.

DFO Québec, Newfoundland, Gulf and Maritimes Regional and Area staff review each application, comment on any assumptions relating to resource access, and provide any other up-to-date information that might be relevant to the application. The resulting comments and information, including the most current community profile for the applying MMFN/CFE, are forwarded to the DFO ACFDI Authority.

### **Application Review and Recommendation**

After both the Evaluator's report and comments/information from DFO Regional and Area staff are received and considered, the ACFDI application and selected supporting documentation are passed by the DFO ACFDI Authority to the Application Review Board (ARB).

The ARB will consist of four (4) members, three First Nation and one non-native, with broad economic development experience. The Executive Director of the Atlantic Policy Congress (APC) of First Nation Chiefs Secretariat, the ACFDI Authority (DFO), and an INAC/SPI representative will attend ARB meetings as *ex-officio* members and provide Secretariat support.

The ARB carries out its work and reports with recommendations on each application to the DFO ACFDI Authority. Recommendations are to include: priority of the work proposed, level of support, and, where necessary, optional/supplementary funding sources. The ARB should identify other existing complementary funding sources where the proposed work includes, for example, acquisition of a very expensive piece of equipment, or is clearly part of a broader thrust relating to MMFN/CFE development that requires funding from more than one funding source. The ARB can also make suggestions and offer assistance relating to how these options could be pursued by the community.

### **Contribution Agreement and Project Implementation**

Once the DFO ACFDI Authority receives the ARB's report, the level of support available is determined and a draft contribution agreement is prepared and submitted to INAC/SPI for their negotiation with the MMFN/CFE. If the support available and terms and conditions are acceptable to the MMFN/CFE, a contribution agreement (CA) is signed with the MMFN community and the ACFDI Authority is informed.

The MMFN/CFE begins work set out in the CA and ACFDI support is applied as agreed in the CA. Project management oversight begins. An interim and final reporting process is carried out consistent with the CA and as required in the initiative.

When the project work/activity has been completed and the final report submitted by the MMFN/CFE, INAC and DFO personnel or their representatives visit the community to discuss implications of the final report. Outcomes of this session will be filed with INAC/SPI for reference.

### **EXAMPLES OF PROPOSALS THAT COULD BE SUBMITTED FOR ACFDI SUPPORT**

There is no intention to tell MMFNs what they can propose for support as long as the proposed work falls within the eligibility parameters of ACFDI. In particular, the proposed

work must be aligned with capacity building and sustainability in commercial fisheries activities.

Broad headings (categories) for the work eligible under ACFDI: (1) Fish- buying, packaging, processing and marketing; (2) Commercial fisheries related services; (3) Aquaculture and related activities; and (4) Recreational tourism.

In order to allow for advance consideration of projects that may be put forward for ACFDI support, the following examples are listed for each category. Priority will be given to those projects supported by the ARB which are practical and offer sound employment, financial and/or other potential benefits to MMFN/CFEs.

1. Fish-buying, packaging, processing and marketing projects might include project-related technical or economic study\*, facilities, technology or training for:
  - Business creation/development related to buying fish/shellfish from FN operations in order to offer consistent supply and quantity levels to attract highest market price for contributing FN operations.
  - Preparing market required packaged product – e.g. assembling live shellfish into boxes/packages with consistent product (number or weight).
  - Specialized processing of fish/shellfish either as stand alone business or through joint ventures or cooperatives.
  - New business operations to offer FN products to market from multiple FN suppliers with specialized presentation or labels.
  - New product development.
  - Pre commercial testing of prototypes for immediate commercial application.
2. Commercial fisheries-related services projects might include project-related technical or economic study\*, facilities, technology or training for:
  - Diesel engine maintenance for fishing vessels and onshore equipment
  - Fishing vessel construction (fibreglass), repair/maintenance including haul-out/storage related work.
  - Fishing gear (trawls, traps, etc.) new construction and repair work.
  - Vessel and fishing gear supply/retail operations.
3. Aquaculture and related activities projects might include project-related technical or economic study\*, site selection/preparations, facilities, technology and training.
  - Aquaculture of high value species (fin fish or shellfish).
  - Business creation combining traditional knowledge with up-to-date technology in rearing eggs or growing up commercial fish species.
  - Development of support services for the aquaculture industry – netting/cage construction/repair.
  - Retail supply of materials needed for aquaculture.
  - Expansion of existing shellfish operations through joint ventures or independent development.
  - Refrigeration/holding facilities to hold farmed product.
4. Fisheries-related tourism projects might include project-related technical or economic study\*, pilot-projects and/or facilities and site development.

- Eco-tourism projects associated with commercial fishing.
- Combination of tourist services with commercial fishing operations e.g., by shared use of vessels/sites to enhance the viability of both activities.
- Specialized harvesting (shellfish) involving tourist labour as active participants for the business.

\* Detailed project-related technical and/or economic studies and engineering or architectural design work are supported; however, preliminary assessments and non-project-related, stand-alone feasibility studies are not eligible.

## **PROJECT CONSIDERATIONS**

ACFDI projects must be completed in the fiscal year for which funding has been approved. In accepting a project, INAC does not commit to support any follow-on or other project submitted for consideration in subsequent years. It is recognized that very large projects may involve several phases/steps. While it may be helpful to describe the entire undertaking when applying for ACFDI support for one component of the work, approval will be limited to that one component. Support is not implied for other or subsequent components.

Upgrades to/replacement of facilities or equipment are rarely accomplished through off-the-shelf purchases. Some of the required feasibility and design activities may be included in the BP relevant to the project, or may be further developed during BP implementation. Such an internal/confidential techno-economic feasibility/review work provides both the MMFN/CFE and the BDT with an objective assessment of the technical viability and economic benefits of the proposed work. The Business Development Team (BDT) must be consulted regarding the Business Case. They are available, at no additional cost to the MMFN/CFE to assist with the Business Case needed to support the project proposal. The Business Case should be written after the work plan, schedule, and estimation of related costs have been drafted. The BDT may prompt the MMFN/CFE to obtain the necessary technical assistance to finalize a work plan, schedule and estimation of related costs. The MMFN/CFE can apply for funding to retain this expertise as part of the application.

Once projects have been approved for ACFDI support, any increased or new costs identified, for example, as a result of “soft cost” activities that are in excess of the ACFDI support already approved must be funded from other sources.

## **ANNEX A**

### **SAMPLE APPLICATION TEMPLATE**

The following Figure 1 shows the application template to be used by Mi'kmaq and Maliseet First Nation communities when applying for support under the program.

When completed, the template should provide all information needed to fully identify the community and commercial fishing enterprise (MMFN/CFE) applying for support and the project/work proposed. The completed template forms one part of the application, provides a starting point for the Third-Party Evaluator and assists in focusing the assessment of the work proposed.

All information provided by a community, and in the application and supporting documentation, must be held in confidence by the Evaluator and the resulting report and recommendations supplied only to ACFDI Authority, DFO.

**Figure 1**

**CONFIDENTIAL**

**Request for Assistance with Atlantic Commercial Fisheries Diversification Initiative (ACFDI)**

Community Name:

Commercial Fishing Enterprise Name:

Mailing Address (Street name and number, PO Box, community name, province and postal code):

Contact Information (name of main contact, phone, fax and e-mail address):

Lead Facilitator for the Work if different from the main contact (name and contact information):

Date of Application:

Full work plan and schedule, and breakdown of estimated costs are attached? Yes ☐ No ☐

A project related Business Plan is in active use? Yes ☐ No ☐

A Business Case is attached? Yes ☐ No ☐

A financial accounting system for the project work area is in use? Yes ☐ No ☐

Supporting letter signed by the Chief is attached? Yes ☐ No ☐

Summarize the work proposed and provide an estimate of total costs below:

Summary of proposed work:

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Estimate of total costs:

## ANNEX B

### OVERVIEW OF CONTENTS OF ACFDI APPLICATIONS

Applications for ACFDI support can be submitted by any eligible MMFN/CFE that has an accounting system that can fully and effectively monitor project/application related financial transactions, and has completed a project-related Business Plan (BP) that is in line with MMFN/CFE capacity-building goals. Confirmation is needed on the application form that a project-related BP has been completed and is being implemented. There is no requirement for the MMFN/CFE's project-related BP to be submitted with the application except that it must be made available to the Third Party Evaluator.

An application consists of the completed application form/template, covering letter from Chief and Council, Work Plan, Schedule and Breakdown of Estimated Costs, and a Business Case supporting the proposed work. (See ANNEX C for Business Case Template.)

The work plan should describe the specific activities to be undertaken in the project for which the application is being made – it does not deal with the overall business plan or any associated projects or future activities. The specific elements should, where possible, be broken out in such a way as to allow for estimating a directly associated cost. All work must be completed within one fiscal year and there is no guarantee that any subsequent additional work mentioned in the proposal will be funded under ACFDI in future fiscal years.

Examples of headings for use in the work plan include:

- Brief overview of the entire work proposed.  
It is anticipated that the work will typically involve new, upgrading or replacement of fisheries-related facilities so that all design, feasibility, construction/repair and commissioning work should be addressed in the work plan.
- Tasks  
A breakdown of the work by task should provide sufficient detail to identify the labour (by skill and profession) and all materials and services required.
- List of participating parties  
This should include, for example, project manager, technical personnel, construction companies, client representative, etc.
- Scheduling considerations  
These should include any work requirements, arrangements for out-of-service periods, and deadlines for major steps in the task-completion process.



- Reporting  
Include reporting commitments for confirming work progress and final project completion.

The Schedule and Breakdown of Estimated Costs should include:

- A breakdown of the sequence of activities to be carried out in completing the work and a schedule of time required for completion of each activity;
- Estimates for necessary costs including materials, facilities, labour, testing, registration fees, professional fees and any other necessary cost items related to the work; and
- A statement of the research already carried out in order to estimate costs required for the work, copies of estimates received, a list of estimates requested but not yet received, a list of outstanding quotes not yet requested, and a description of how the work will be managed and supervised to ensure the project is completed on time and within the estimated budget.

A Business Case Template is provided as ANNEX C. The Business Case should:

- Be written after the work plan, scheduling and estimation of related costs have been prepared in draft form;
- Confirm that an initial confidential techno-economic feasibility/review has been conducted; and
- Provide positive support for the business/economic relevance and technical practicality of the proposed work.

MMFN/CFEs applying for ACFDI support should note that it is mandatory, at no additional cost to the MMFN/CFE, to consult with the Business Development Team in preparing the Business Case. The BDT should, when necessary, prompt the MMFN/CFE to obtain the necessary technical assistance to finalize the work plan, scheduling and estimation of related costs.

For smaller projects, a limited techno-economic feasibility/review may provide an adequate assessment of the proposed work needed to complete the work plan, schedule and estimated costs section of the application.

In the case of larger projects, where only preliminary feasibility work has been carried out, there may be a need to include in the application for ACFDI support some or all of the following “soft costs” related to the work, in addition to actual equipment costs:

- Detailed techno-economic feasibility work to identify the most practical solutions and initial definition of parameters for the work and costs involved;
- Design work (engineering, architecture, technical drawings) once the project is defined;
- Identification of facilities where the planned work will be carried out;

- Professional assistance to represent client's interests and to monitor progress and ensure work is carried out to specifications, oversee trials and any subsequent modifications, and liaise with government regulators to ensure the work is in line with existing regulations.

The Business Case should also show how the proposed work will support short and long-term capacity building, sustainability of the MMFN/CFE, and indicate other existing possible sources of complementary funding support, if a broad approach is taken in the work proposed.

## **ANNEX C**

### **ACFDI - BUSINESS CASE TEMPLATE**

The Business Case should provide justification for the work being proposed and support for the work plan, schedule and breakdown of estimated costs contained in the ACFDI application. The following subject areas should be addressed in the business case, as appropriate:

1. Description of the project. (Expanded/more detailed version of the summary on the application form but, if possible, not more than approximately 250 words.)
2. Statement of the problem to be solved e.g., need to increase revenue by developing “added value” fisheries business, starting new business ventures in aquaculture or by reducing costs through change in scale of operations.
3. In general terms, describe what solution is proposed for the problem, e.g., restructuring or diversification of operations, purchase/upgrading/replacement of commercial fisheries equipment, etc.
4. Describe what alternate solutions have been considered. Give main reasons to show the alternatives are unsuitable or less effective than the selected proposal.
5. Describe the level of impact of the proposed solution on MMFN or CFE sustainability and employment in the community.
6. Summarize costing of selected proposal and any longer term costs that will be incurred as a result of doing this work.
7. What alternative funding sources have been considered? Indicate the state of enquiry and indicate any potential response and value. Give reasons for alternate sources of funding not being pursued.
8. Provide a calculation of benefits: (a) directly from project implementation, (b) indirectly from project implementation. Indicate when projects costs will be recovered. Relevant financial statements for previous and current year and financial projections for next three years should be provided.
9. Summarize any technical/scientific/fisheries management or other factors that must be taken into account, e.g., information extracted from the techno-economic feasibility study\*.
10. Any other concluding information that supports the proposal.

\*For technical projects, provide confirmation that a techno-economic feasibility/review has been conducted and provides positive support for the business/economic relevance and technical practicality of the proposed work.

## ANNEX D

### GUIDELINES FOR THIRD PARTY EVALUATION OF THE BUSINESS CASE

The Business Case for any MMFN or CFE commercial fisheries proposal will be evaluated under the following headings and levels.

- Impact of the proposed work on implementation of the MMFN/CFE Business Plan relevant to the project?
  - Marginal to implementation of BP.
  - Some positive influence on implementation of BP.
  - Critical to implementation of BP.
- Alignment of the proposed work with MMFN/CFE Business Plan goals?
  - Marginal to achieving short-term capacity-building objectives of BP.
  - Some positive influence on achieving short-term capacity-building objectives of BP.
  - Critical to achieving short-term capacity-building objectives of BP.
- Economic impact of investment on MMFN/CFE?
  - Investment recovered over longer term.
  - Investment recovered in five to seven years.
  - Investment recovered in less than three years.
- Impact on employment in community?
  - Proposed work will have little or not impact on employment.
  - Number of weeks employment for MMFN personnel will be maintained, rather than lost, as a result of the proposed work.
  - Number of weeks employment for MMFN personnel will be increased as a result of proposed work.
- Impact on overall MMFN/CFE sustainability?
  - Little or no impact on overall MMFN/CFE sustainability.
  - Existing fisheries or operations will be maintained rather than lost.
  - New fisheries or fisheries operations will be established.
- Any other items judged to be critical to specific cases? E.g., new/innovation in commercial fisheries.
  - To be identified, described, and impact of item set out by the Evaluator.

NOTE: The Application Review Board will have access to both the Business Case and evaluation results.

This image shows a full page of blank, lined paper. It features approximately 20 evenly spaced horizontal grey lines across the entire width of the page, typical of notebook or legal stationery. There are no margins, text, or other markings present.