

Citizen's Summary (Article 50(9) of Regulation (EU) No 1303/2013)

Citizens Summary for the UK European Maritime and Fisheries Fund (EMFF) 2020

Background

The UK EMFF programme has a budget of €243.1million and aims at achieving key national development priorities along with the "Europe 2020" objectives. The strategy for the use of the funding, contained within the Operational Programme (OP), addresses the general reform of the Common Fisheries Policy (CFP) and the development of the Integrated Maritime Policy (IMP). The UK EMFF programme objectives are defined under 4 main policy goals;

1. Adapting the fisheries sector to the requirements of the reformed CFP; focused on the transition of the fleet to sustainably managed and discard-free fisheries including innovation
2. Fostering growth potential across the fisheries, aquaculture and processing supply chains; through support for innovation, onshore and offshore investments in infrastructure
3. Supporting the increased economic, environmental and social sustainability of the sector; through efficient use of natural resources, support policies that will attract and maintain people in coastal areas and improving local governance.
4. Fulfilling the UK's enforcement and data collection obligations under the CFP; by developing IT tools and technologies to support control and enforcement, improving the traceability of fisheries products, adapting data collection to respond to the new requirements of the reformed CFP.

Operational Programme

The UK put forward two requests to modify the Operational Programme (OP) in 2020. The first proposal was triggered by the need to reallocate the EMFF Performance Reserve (€320,080) for Integrated Maritime Policy (Union Priority 6). This amendment provided further opportunity to revise the financial allocation to each Union Priority, decreasing the planned contribution to Integrated Maritime Policy (Union Priority 6) and Technical Assistance, while increasing the support available to industry facing measures including Sustainable Fisheries (Union Priority 1), Sustainable Aquaculture (Union Priority 2) and Fisheries Local Action Groups (Union Priority 4). In line with the revisions to financial indicators, the 2023 outcomes for outputs and result indicators were reviewed with stretch targets being formulated based on actual implementation data. The Operational Programme amendment was approved by the Monitoring Committee on 12th December 2019 and adopted by the EC on 26th March 2020, enabling the UK to maximise budget utilisation while reflecting the true value of the €243 million investment.

A second Operational Programme amendment was approved by the monitoring committee on the 9th June 2020 and sent to the Commission through the simplified procedure on the 20th July 2020. This proposal was made in response to the Commission's implementation of Regulation 2020/560 which provided measures to mitigate the impact of the Coronavirus pandemic in the fishery and aquaculture sector as well as the flexibility to move funding from previously ring-fenced budgets. While the overall strategy and objectives of the programme remained relevant, there was a need to adjust Union Priority financial allocations and output targets for 2023 where Covid-response measures were to be implemented. Additionally, methodologies were introduced for compensation payments for Public Health measures in Northern Ireland, Scotland and Wales and Temporary Cessation in Northern Ireland. Public Health funding was to be considered for Aquaculture businesses whose markets were closed and/or placing more production into cold storage, with compensation based on income foregone or the reimbursement of actual costs incurred. Temporary Cessation sought to provide compensation to fishers who ceased activity for a defined period using the income foregone model. England sought to provide Covid-response initiatives using Health and

Safety and Ports and Harbours measures, providing on board and port side investments targeting hygiene and safety improvements to help achieve Coronavirus safe workspaces.

The Covid-19 Operational Programme amendment was adopted by the Commission on the 12th August 2020, allowing expenditure for operations supported under Covid-19 related measures to be eligible from the 1st February to the 31st December 2020, subject to the regulations.

External Factors

UK Authorities and Intermediate Bodies have been challenged by significant, external factors impacting programme implementation throughout 2020. The Coronavirus pandemic required UK authorities to adapt delivery processes at pace, focussing on prompt payments to beneficiaries and reducing the administrative burden to access, administer and verify the EMFF programme where possible.

In consultation with beneficiaries, UK Intermediate Bodies have reported that a number of operations will be delayed or scaled back as a result of uncertainty around the long term consequences of the pandemic. Unclear impacts on business cash flow and limited availability of raw materials are contributing factors. The development of government projects, particularly in areas such as Control and Enforcement (Union Priority 3) has been delayed while responsible parties were re-prioritised to support with IT projects that had to be developed to facilitate trading arrangements with the EU and third countries after EU Exit.

These impacts have affected the UK's anticipated progress toward committing the full EMFF allocation by the 31st December 2020, as such, UK measures will remain open in accordance with budget availability.

Funding Priorities

The UK EMFF programme is organised around the following priorities:

Union Priority 1 (UP1) Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries;

A total budget of €70.6million (29%) is available with the aim of striking the right balance between fisheries activities, environmental protection and thus contributing to the sustainable development of the fisheries sector. The accent is put on innovative research projects whose outcomes will add value to the sector, energy savings and scientific knowledge. Two operational programme amendments were approved during 2020 and increased the EMFF allocated to Union Priority 1 by €3.1million.

Since the UK opened for applications in 2016, 1,858 projects with an EMFF value of €64.8million (£57.9million) have been approved representing 92% of the EMFF budget of €70.6million (£63.1million). 1,663 projects with EMFF expenditure of €50.8million (£45.0million) have been declared to the Managing Authority, representing 72% of the total EMFF budget allocation.

Most approved projects fall under Health and Safety, with 726 projects approved (39% of all Union Priority 1 projects), Limiting the impact of fishing on the marine environment, with 331 projects approved (18%) and Added value, product quality and use of unwanted catches, which has 283 approved projects (15%).

The launch of Union Priority 1 Coronavirus response schemes in Northern Ireland (Temporary Cessation) and England (Health and Safety and Ports and Harbours) resulted in 86 operations which

seek to mitigate the impacts of Covid-19. Of these, 64 (74%) relate to Temporary Cessation and aim to provide relief against income foregone for 282 fishers for a cumulative total of 2,560 days (40 days per fisher). 19 projects (22%) relate to Health and Safety and 3 (3%) to Ports and Harbours.

Of the 1,858 operations selected, 105 (6%) are under implementation, 1,557 (84%) are completed, 194 (10%) are covered by a decision granting aid where no expenditure has been declared and 2 (<1%) operations are fully implemented with all expenditure being paid to the beneficiary.

In relation to the gender of beneficiaries, 1,502 (81%) are male, 18 (<1%) are female with 6 (<1%) other. 330 beneficiaries (18%) have not specified gender as the beneficiary is an organisation, not an individual. Size of the operators requesting assistance were 1,529 (82%) micro enterprises, 116 (6%) small, 19 (1%) medium and 1 (<1%) large. There are 191 (10%) beneficiaries who are non-SMEs. In relation to the gender of beneficiaries, 1,502 (81%) are male, 18 (<1%) female, 6 (<1%) other and 332 (18%) have not specified. Size of the operators requesting assistance were 1,529 (82%) micro enterprises, 116 (6%) small, 19 (1%) medium and 1 (<1%) large. 193 (10%) of operators are non-SMEs.

The best performing result indicators and those related to increase in net profits (1.3) where the 2023 target is 80% achieved, employment maintained in the fisheries sector or complimentary activities (1.9), 242% achieved and reduction in the number of work related accidents and injuries (1.9.a), 117% achieved.

Union Priority 2 (UP2) Fostering environmentally sustainable, resource efficient, innovative, competitive and knowledge based aquaculture;

A budget of €21.6million (9%) is available to focus on aquaculture and supporting innovative projects to help expand production while improving sustainability of the sector. Funding will also support greater profitability in the sector through improvements in predator control, the potential of new species being cultured, opening up of new aquaculture locations and diversification in income through complementary activities. Two Operational Programme amendments were approved in 2020 and increased the EMFF allocated to Union Priority 2 by €2.2million.

Since the UK opened for applications in 2016, 149 projects with an EMFF value of €16.9million (£15.1million) have been approved, representing 78% of the EMFF budget allocation of €21.6million (£19.3million). 135 projects with EMFF expenditure of €10.5million (£9.3million) have been declared to the Managing Authority, representing 49% of the total EMFF budget allocation.

Most approved projects fall under Productive investments in aquaculture, with 96 projects approved (64% of all Union Priority 2 projects). A further 16 projects have been selected under Innovation and Public health measures respectively, each representing 11% of Union Priority 2 projects.

The launch of Public Health Coronavirus response schemes in Northern Ireland, Scotland and Wales resulted in the approval of 16 operations which benefit 59 employees. Of these projects, 15 (94%) were approved by the Northern Ireland Intermediate Body, with 1 (6%) approved in Scotland. A further public health investment will be forthcoming from the Wales Intermediate Body in 2021.

Of the 149 operations selected, of these 96 (64%) are completed, 39 (26%) are under implementation and 14 (9%) are covered by a decision granting aid where no expenditure has been declared.

In relation to the gender of beneficiaries, 86 (58%) are male, 15 (23%) female, 2 (1%) other and 46 (31%) have not specified. Size of the operators requesting assistance were 103 (69%) micro

enterprises, 28 (19%) small, 4 (3%) medium, no large enterprises requested funding. 14 (9%) of operators are non-SMEs.

The best performing result indicators are those related to increase in the volume and value of aquaculture production (2.1 and 2.2), where the 2023 targets are 48% and 46% achieved respectively. Increase in net profits (2.3) is also performing well, current achievements are 57% of the 2023 target.

Union Priority 3 (UP3) Fostering the implementation of the Common Fisheries Policy;

A budget of €97.6 million (40%) is available towards the implementation of control, inspection and enforcement system as required by the Common Fisheries Policy (CFP) as well as the collection, management and use of data required by the CFP.

Since the UK opened for applications in 2016, 72 projects with an EMFF value of €75.7million (£67.7million) have been approved, which is 78% of the total EMFF budget allocation of €97.6million (£87.3million). 56 projects with EMFF expenditure of €49.0million (£43.0million) have been declared to the Managing Authority, representing 50% of the total EMFF budget allocation.

Of the 72 operations selected, of these 19 (26%) are under implementation, 37 (51%) are completed and 16 (22%) are covered by a decision granting aid where no expenditure has been declared.

As outlined in the OP, work is concentrating on;

- the collection, management and use of data for the purpose of scientific analysis and implementation of the CFP and validation and quality control;
- biological sampling of stocks covered by the CFP;
- research surveys at sea;
- at-sea monitoring of commercial and recreational fisheries, including monitoring of by-catch of marine organisms such as marine mammals and birds;
- collection of economic and socio-economic data for marine fisheries, aquaculture and the processing industry;
- development and improvement of data collection and data management systems; and
- coordination and support for research on the marine environment

There were no significant compliance issues in 2020.

During 2020, the UK made some progress in developing its plans and approach for accessing EMFF funding to support the implementation of the Common Fisheries Policy. A key feature of the Control programme has been to focus on areas where the UK needs to improve levels of compliance. A wide range of initiatives are being progressed which include;

- Redevelopment of IT as an enabler to improve compliance, including Vessel Monitoring Systems (VMS), software applications for use by enforcement officers and as an enabler to improve compliance, catch recording systems and data exchange
- Developing training programmes for compliance officers;
- Upgrading patrol vessels to monitor inshore fisheries and funding surveillance activities in Specific Control & Inspection Programme (SCIP) areas.

Union Priority 4 (UP4): Increasing employment and territorial cohesion;

A budget of €13.8 million (6%) is available for fisheries and aquaculture dependent communities to diversify their economies and bring added value to their fishing activities through improved local marketing and supply chain logistics. Two Operational Programme amendments were approved in 2020, the first increased the EMFF allocated to Union Priority 4 by €0.2million.

In the UK a total of 19 FLAGs have approved local development strategies (LDS). FLAGs approved are as follows; 8 in Scotland (Argyle and Ayrshire, Dumfries and Galloway, Forth, Highland Moray, North East of Scotland, Orkney, Outer Hebrides and Shetland), 6 in England (Dorset and East Devon, Cornwall and Isles of Scilly, Holderness, Hastings, North of Tyne and North Thames), 4 in Wales (North Wales, Pembrokeshire, Swansea and Cardigan Bay) and 1 in Northern Ireland (South East Area).

Since the UK opened for applications in 2016, 381 projects with an EMFF value of €11.2million (£10.0million) have been approved, which is 81% of the total EMFF budget allocation of €13.8million (£12.3million). 310 projects with EMFF expenditure of €8.2million (£7.3million) have been declared to the Managing Authority, representing 59% of the total EMFF budget allocation.

Of the 381 operations selected, (14%) are under implementation, 256 (67%) are completed and 71 (19%) are covered by a decision granting aid where no expenditure has been declared.

In relation to the gender of beneficiaries, 138 (36%) are male, 25 (7%) female, 13 (3%) other and 205 (54%) have not specified. Size of the operators requesting assistance were 176 (46%) micro enterprises, 42 (11%) small, 7 (2%) medium and 11 (38%) large. 145 (38%) of operators are non-SMEs.

Both of the result indicators applicable to Union Priority 4 are performing well. Employment created (4.1) and businesses created (4.3) have achieved 65% and 100% of their 2023 targets respectively.

Union Priority 5 (UP5) Fostering marketing and processing;

A budget of €24.0million (10%) is available to focus on investments in the development of new or improved fisheries and shellfish products, as well as marketing and promotional campaigns. Two Operational Programme amendments were approved in 2020 and reallocated a total of €3.2million EMFF from Union Priority 5 to other Priorities. 67% of the budget reallocated was moved out of Storage Aid; the Commission provided flexibility to move funding from this previously ring-fenced budget as a Coronavirus response measure.

Since the UK opened for applications in 2016, 172 projects with an EMFF value of €21.2million (£19.0million) have been approved, which is 88% of the total EMFF budget allocation of €24.0million (£21.5million). 163 projects with EMFF expenditure of €16.1million (£14.2million) have been declared to the Managing Authority, representing 67% of the total EMFF budget allocation.

Most approved projects fall under the processing of fishery and aquaculture products, with 148 projects approved (86% of all Union Priority 5 projects). Marketing measures have also had some success, with 21 operations approved. A further 3 operations have been approved under production and marketing plans.

A total of 172 operations have been selected, 20 (12%) are under implementation, 143 (83%) are completed, 6 (3%) are covered by a decision granting aid where no expenditure has been declared and 3 (2%) have been abandoned following partial implementation, with some claims paid. In relation to the gender of beneficiaries, 50 (29%) are male, 10 (6%) female and 1 (<1%) other. 111 (65%) have not specified. The size of the operators requesting assistance were 60 (35%) micro enterprises, 65 (38%) small and 45 (26%) medium. 2 operators (1%) are non SMEs.

The best performing result indicators are those related to increasing the volume and value of first sales in non-Producers Organisations (5.1.c and 5.1.d), the result indicators have achieved 78% and 73% of their respective 2023 targets.

Union Priority 6 (UP6) Fostering the implementation of the Integrated Maritime Policy;

A budget of €4.9 million (2%) is available to support the Marine Strategy Framework Directive and an effective marine planning process. Funding will be used to establish baselines and monitoring to tackle more complex issues such as cumulative impacts, future analysis and filling knowledge gaps. Two Operational Programme amendments were approved in 2020 and reallocated €0.5million EMFF from Union Priority 6 to other Priorities.

Since the UK opened for applications in 2016, 31 projects with an EMFF value of €5.1million (£4.6million) have been approved, leading to oversubscription in Union Priority 6, where 104% of the total EMFF budget allocation of €4.9million (£4.4million) is committed to projects. 17 projects with EMFF expenditure of €1.4million (£1.3million) have been declared to the Managing Authority, representing 29% of the total EMFF budget allocation.

Most approved projects under Integrated Maritime Policy relate to promotion of the protection of the marine environment, and the sustainable use of marine and coastal resources (30, 97% of Union Priority 6 projects). One further investment is approved under improving knowledge on the state of the marine environment.

Of the 31 operations selected, 12 (39%) are under implementation, 5 (16%) are completed and 14 (45%) are covered by a decision granting aid where no expenditure has been declared. In relation to the gender of beneficiaries, 1 (3%) is female and 30 (97%) have not specified. Size of the operators requesting assistance were 1 (3%) micro enterprise and 30 (97%) non-SMEs.

Indicators relating to change in the coverage of Natura 2000 areas designated under the Birds and Habitats directives (6.2.a) and change in the coverage of other spatial protection measures (6.2.b) did not report any results in 2020. Consultation with Intermediate Bodies has identified that the completed projects under Union Priority 6 largely facilitate an improved management of Natura 2000 or other spatial protection sites, as opposed to a change in their coverage.

Union Priority 7 (UP7) Technical Assistance;

A budget of €10.7 million (4%) is allocated to support the UK delivery bodies in implementing and managing the scheme. This will include reinforcing the implementation system, ensuring efficient administration of the EU funding, including support to reduce the burden on beneficiaries, improving e-administration and publicity and information measures. Two Operational Programme amendments were approved in 2020 and reallocated €1.9million EMFF from Technical Assistance to industry facing Priorities.

Since the start of the EMFF scheme, 27 projects with an EMFF value of €9.3million (£8.3million) have been approved, which is 87% of the total EMFF budget allocation of €10.7million (£9.5million).

Approved projects under Technical Assistance mainly relate to the implementation of the operational programme, 11 projects are approved for these purposes. Other (meetings/engagement) and IT systems are the next most utilised measures, with 7 and 6 projects approved respectively. Investments covering communication activities, control and audits and network of FLAG's each have one operation approved.

Evaluation

Since the UK opened for applications, both self-evaluations and external applications have been undertaken.

The UK Managing Authority undertook a detailed review of the EMFF Operational programme resulting in the UK Operational Programme amendment which was approved by the PMC in December 2019 and adopted by the Commission in March 2020. A supplementary evaluation of the UK Operational Programme was undertaken by the UK Managing Authority in partnership with UK Intermediate Bodies after the Commission positively announced several amendments to the EMFF regulation which expanded the scope of measures to include support for businesses affected by Coronavirus.

The EMFF sponsorship body (DEFRA) conducted an evaluation of the implementation and early impact of the European Maritime and Fisheries Fund in 2019, also referred to as the socio-economic evaluation of the EMFF. This evaluation focused on the process and delivery elements of the EMFF and was presented to the Programme Monitoring Committee in November 2020, to note that the report was not formally published until 2021.

An Evaluation of the Environmental Benefits delivered through the EMFF in England was commissioned by DEFRA and published in November 2019. In summary, the evaluation found that projects funded under the EMFF have been delivering environmental benefits and/or are likely to do so in the future. The evaluating body also concluded that the Result Indicators applicable to the EMFF programme were not that useful in the selection of environmental projects due to a focus on flows (in Natural Capital terms) which downplay potential contributions to reducing pressures or enhancing assists.