



Marine
Management
Organisation



European Union
European Structural
and Investment Funds

European Maritime and Fisheries Fund: how to apply for funding

General Guidance Note – for applicants applying in England

This guidance explains the types of funding you can apply for, the types of projects that can be funded, how much money you can apply for and how to apply. You must read this in conjunction with the specific guidance note that applies to the type of project you are applying for.

If you work in the fishing and maritime sectors, you can apply to the European Maritime and Fisheries Fund (EMFF) for support to fund sustainable development and support growth and jobs in EU coastal communities.

If you or your project is based in England you should contact Marine Management Organisation (MMO)

Alternatively;

If you or your project is based in Scotland you should contact Marine Scotland.

If you or your project is based in Northern Ireland you should contact the Department of Agriculture, Environment and Rural Affairs.

If you or your project is based in Wales you should contact the Welsh government.

DEFINITIONS;

In these notes:

- **You** means the applicant. You can employ an agent or consultant to help you complete your application form but you must sign the form. You will be responsible for ensuring that all of the terms and conditions of grant are fulfilled. Responsibility for the content of the application and any supporting information and documentation rests with you and cannot be transferred to your agent or consultant. In particular, this means that you will be expected to retain ownership of the work which is being grant aided.
- **We** means the MMO.
- **Fisherman** means any person engaging in commercial fishing activities, as recognised by the Member State.
- **Fisheries area** means an area with a sea, river or lake shore, including ponds or a river basin, with a significant level of employment in fisheries, which is functionally coherent in geographical, economic and social terms and is designated as such by a Member State.
- **Inland fishing** means fishing activities carried out for commercial purposes in inland waters by vessels or other devices.
- **Vessels operating exclusively in inland waters** means vessels engaged in commercial fishing in inland waters and not included in the Union fishing fleet register.
- **A public law body** is an organisation financed, managed or supervised by the government.
- **Small-Scale Coastal Fishing (SSCF)** means fishing carried out by fishing vessels of an overall length of 11.99 metres or less and not using towed fishing gear as listed in Table 3 of Annex I to Commission Regulation (EC) No 26/2004.

The information provided in this Guidance Note must only be taken as a guide to the grants which are available. The legal basis for the grants is Articles 26, 27, 28, 29, 32, 36, 37, 38, 39, 40, 41.1, 42, 43, 44.6, 47, 48, 49, 50, 51, 54, 66, 68 and 69 of Council Regulation (EC) 508/2014, which can be found at <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0508&from=EN>

1. Who can apply?

You can usually apply for the scheme if you're at least one of the following, but you should read the specific guidance for your particular type of project:

- the owner of an EU or UK registered fishing vessel and you commercially fish from a port based in the UK or EU
- fisherwoman, or spouse or legal partner of a fisherman
- a producer organisation, Inter-branch organisation or a public or semi-public organisation
- an aquaculture business or organisation
- an organisation of fishermen or fisherwomen
- involved in production, processing, marketing, distribution or commercial retail of fisheries and aquaculture products
- non-governmental organisations
- an association, including new aquaculture farmers
- universities and research institutes
- Micro, small and medium-sized businesses- see below
- Scientific organisations working in the maritime sectors
- Public-private partnerships

Micro, small and medium enterprises SMEs

EMFF Funding is only available to Micro, Small and medium enterprises (SMEs), as defined in EU Regulation 2003/361 with the exception of Article 50 Promotion of human capital and networking where funding can be granted to large aquaculture enterprises if their project relates to and is engaged in knowledge-sharing with SMEs.

To be able to determine whether or not you are an SME you need to know staff numbers, turnover and balance sheet totals as well as how your business links to other enterprises.

Micro-enterprises are defined as enterprises that employ fewer than 10 persons and whose annual turnover or annual balance sheet total does not exceed €2 million;

Small enterprises are defined as enterprises that employ fewer than 50 persons and whose annual turnover or annual balance sheet total does not exceed €10 million;

Medium-sized enterprises are defined as enterprises that employ fewer than 250 persons and whose annual turnover or annual balance sheet total does not exceed €50 million.

You will also need to understand and declare your company's relationship(s) with other businesses. It is up to you to determine and declare your business type from the three categories below:

- Autonomous – if the enterprise is either completely independent or has one or more minority partnerships (each less than 25%) with other enterprises
- Partner – if holdings with other enterprises rise to at least 25% but no more than 50%, the relationship is deemed to be between partner enterprises
- Linked enterprise – if holdings with other enterprises exceed the 50% threshold, these are considered linked enterprises

These categories are further explained in the European Commission document: User Guide to the SME Definition [SME definition](#). If after reading this document, you remain unsure as to which category your company falls under, please contact the MMO before making your application.

2. Who can't apply?

You can't apply for and receive EMFF funding if you've been convicted of fraud under either the European Fisheries Fund (EFF) or the EMFF.

You can't apply for and receive EMFF funding if you've been convicted of an offence that the MMO or European Union considers to be a 'serious infringement' or fraud, in the 12 months before applying.

Please read the [Guidance on Inadmissibility and fraud](#) on the MMO website.

You can't apply if you are not an eligible applicant type, see above. If your business is a large business see SME guidance for advice on this, your

vessel is not registered as a fishing vessel in the European Union and/or you are not a commercial fisherman.

3. What can I apply for?

You can apply for funding to:

- improve the energy efficiency of your gear or vessel
- meet certain aspects of the Landing obligation (note-only one gear replacement can be funded per vessel under the EMFF scheme)
- expand your business into new markets and find new ways of increasing productivity and throughput
- improve health and safety on board and on shore
- boost the value and quality of your product including ways to use unwanted catch
- improve fishing ports, landing sites, auction halls and shelters
- try innovations in fisheries, the maritime sector and aquaculture
- implement marketing measures
- process fishery and aquaculture products
- start an advisory service
- start a partnership between scientists and fishermen
- create jobs within eligible areas
- create social dialogue
- create support for the systems of allocation of fishing opportunities
- create production and marketing plans
- implement conservation measures and regional co-operation
- limit the impact of fishing on the marine environment and adapt fishing methods to protect species
- support innovation that could conserve marine biological resources protect and restore marine biodiversity and ecosystems
- improve inland fishing including health and safety and value of catches
- aid inland aquatic fauna and flora productive investments in aquaculture management, relief and advisory services for aquaculture farms projects that increase the potential of aquaculture sites
- create innovation in aquaculture
- projects that promote human capital and networking in aquaculture
- purchase or lease vehicles only if the vehicle in question has a direct contribution to the project and is not used for any other purpose

This list is not exhaustive. Contact MMO if you're unsure whether the activity you want to apply for is eligible.

Activities you can't apply to fund

You cannot get EMFF funding to:

- increase the fishing effort, the capacity of your vessel or increase the ability of your vessel to find fish
- increase the capacity of fish holds
- build fishing vessels or import them
- stop fishing activities temporarily or permanently, unless otherwise provided for in the EMFF regulations
- carry out exploratory fishing
- transfer ownership of a business
- fund direct restocking unless explicitly provided for as a conservation measure by a European Union legal act or in the case of experimental restocking
- fund the purchase or construction of inland fishing vessels.
- fund the construction of Lobster Hatcheries
- statutory or mandatory undertakings - Items and services that are statutory or mandatory requirements of law and bylaws cannot be funded
- maintenance of any vehicles
- operating costs are not eligible unless expressly allowed for by the MMO.
- interest on a debt
- purchase of land or housing that's worth more than 10% of your project's total expenditure
- your business's operating costs, unless the MMO has told you otherwise in your Offer Letter
- re-payments of loans on any item(s) you have purchased or
- the costs of any item(s) bought with a loan until the loan is repaid (this does not include leased items as long as your Offer Letter allows funding for them.
- any costs that you could recover in part or in total by making a claim on an insurance policy or by seeking compensation or damages.

Contact MMO if you're unsure whether your project is eligible or ineligible

4. How much funding can I apply for?

Funding rates are based on the following criteria;

- the type of applicant you are, for example if you are a private business or a public organisation, a producer organisation or a fisherman's association
- the size of your vessel if you are applying for equipment or gear. There are different rates for vessels 11.99m and under not using towed gear and those vessels that are larger or do use towed gear
- the activity you are applying for as some high priority project types including those that contribute to meeting the reformed Common Fisheries Policy can get a higher rate in some circumstances

Funding rates are different for each type of project and you should look at the specific guidance note for your proposed project type for more advice.

5. How to apply

To apply, you need to propose a project. You can apply for funding using the E-system or one of the 6 application forms and associated guidance. You need to choose the guidance relevant to your project; please note you may need to complete more than one application if your project has different elements within it.

The 6 project types are;

1. Fishing vessel energy improvements
2. Investments on board vessels
3. Improvements to shore-based facilities
4. Partnerships and information sharing
5. Seafood processing and investments in fisheries management
6. Aquaculture, animal health and inland fishing

The EMFF scheme is designed to assist those who cannot afford to fund projects without support. If it is considered that you can afford your project without support your project will not be approved.

You should consult the specific guidance note to find out how much funding you can apply for. The tables are called 'Funding Rate Tables'.

It is important to note that all funding issued under the EMFF scheme must be matched from a UK public source and in most cases another private source. The matched amount from a public source is called the 'National Funding'. In England the UK public source or National Funding is usually MMO but can be another public source such as Local Government.

There are limits to how much you can apply for on a single application. These limits depend on what you are doing and therefore which Article of the regulation you are applying to. These are in place to ensure that as many applicants as possible can benefit from the funding available. In exceptional circumstances these limits can be exceeded but the decision to authorise this rests wholly with MMO and you should discuss your project with MMO before applying if your planned project costs exceed the rates offered. There are no guarantees that you will be authorised to exceed the limits set out so you should consider alternative plans or funding.

Expression of Interest (EOI)

You can complete an Expression of Interest (EOI) if you want MMO to check if your initial project idea has the potential to be eligible for funding.

You don't have to do this, if you prefer you can make a full application for funding without initial advice.

The MMO will then assess your project and tell you if you can apply and how you should do so.

If the MMO invites you to complete a full application, this **does not** guarantee that you'll get funding.

[Expressions of interest guidance note](#)

[Expressions of interest form](#)

You must not start work on your project before you've applied for EMFF funding and received an email from the MMO that confirms your application has been received.

If your application is successful, you will need to be able to pay for your entire project up front - you can then claim the costs back from MMO.

If you start work before receiving your acknowledgement email, your project will be automatically ineligible for funding.

In exceptional circumstances, you can claim back costs of up to 10% of the total eligible project costs at the funding rate applied for costs incurred prior to the date of the acknowledgement received from the MMO. These costs must be for activities that are directly related to the project and the provision of professional services that assist the application to proceed to application stage, for example architects plans. The MMO will decide if you're eligible to reclaim these costs and their decision is final.

Apply online

You should apply online using the EMFF E-System

You will need the following information to hand in order to complete the application:

- The appropriate guide for completing your application form
- Your business details such as your accounts, business registration number and VAT registration number

If you cannot use the E-System other forms of application are available on request from MMO.

Documents you need to send

As well as completing your application you will need to send any specific documents mentioned in this guidance. See below for details;

If your project has a total value of up to £24,999.99

You should provide a copy of your organisation's accounts for the last three financial years to demonstrate that your organisation is financially sound. These can be audited or non-audited.

If your organisation is currently loss making, this does not necessarily mean

that your application cannot be considered. However, you will need to explain carefully in your business case or application form the steps you are taking to make your organisation financially viable, including the contribution you expect your project to make to this.

If you are an organisation that is one or two years old, you only need to provide the organisation's accounts for the financial years that you have been in operation.

If your organisation is new, you should provide a cash flow forecast for a minimum of 5 years. For an example of a cash flow forecast for 12 months see further down this section. The pre-start column is for figures for items before your organisation started trading.

You must also tell us about any interest rates on start-up finance that is not clear from the Cash Flow Forecast.

If your project has a total value of between £25,000 - £99,999.99

A Business Case completed on the Business Case Template which can be found on the MMO website or you can contact MMO for a copy.

You should provide accounts or a Cash Flow Forecast if you are a new company, (see above section), and a Discounted Cash Flow.

For projects with a total project cost of up to £99,999.99 assessment will be made by the MMO European Grants Team.

If your project has a total value of more than £100,000

A Business Case completed on the Business Case Template which can be found on the MMO website or you can contact MMO for a copy.

You should provide accounts or a Cash Flow Forecast if you are a new company, (see above section), and a Discounted Cash Flow. A full financial and economic appraisal will be conducted on your evidence and you may be asked for further information. If your total project cost is more than £100,000 it will be assessed by a specially selected panel of experts. More information on panels including deadlines and dates they will be held will be available on the MMO website. The Head of the IB may decide that applications which would normally be considered by a Panel process can be managed through the Team Assessment process.

Quotes

For all goods and services that you intend to apply for as part of your project you must provide quotes to verify the costs. The quotes will all be used to show that you're getting the best value for money in your project.

Quotes supplied must include:

- a detailed and itemised breakdown of costs
- the supplier's address, phone number and a contact name
- the supplier's VAT number, if they're VAT registered and they have included VAT on the quote
- the supplier's company registration number, if they're a limited company

You need to send either:

- The original signed quote by post
- Email quotes can be accepted but they must show the email trail from the supplier to the applicant
- Photocopies or print-outs of catalogue or website listings for products. The photocopies or print-outs must contain the specification of the item. They must contain a price and all should either be inclusive or exclusive of VAT as applicable. The photocopies or print-outs must be from accessible catalogues or websites that can be easily verified.
- Documents that prove you've issued a formal tender, scoring and decision making details.

Quotes that don't meet the requirements set out will be rejected by MMO.

The quotes and tenders you send must:

- come from suppliers that trade independently of each other and don't share any ownership
- be from the last 3 months and be valid
- be comparable in terms of the quality, size, quantity, and type of product, if you're using multiple quotes to show you'll get value for money when buying a product

Don't send quotes or tenders that come from suppliers you're related to or that your business is linked to.

Applicants must ensure that the companies requested to quote for items or services for their project know that their quote is being submitted as part of an application of funding to the EMFF scheme and MMO.

In some cases a declaration completed by the supplier providing quotes must be obtained by you. If your application is selected for this additional check then you must ask your suppliers to complete a declaration to confirm that the quote is accurate and that they understand that you are applying for European funding.

All quotes provided must come from independent companies and will be verified by MMO. MMO reserves the right to seek independent advice on the validity and value for money of quotes and tenders supplied. MMO may contact your suppliers directly.

The number of quotes you need to send depends on the value of the product or service as per the tables below.

Private Applicants

Individual items with a value (excluding VAT) of:	Number of Quotes or Tenders
over £0 and up to £1,500	At least One quote
£1,500.01 and up to £5,000	At least two quotes must be provided. If at least two quotes have not been provided, then an explanation why must be provided
£5,000.01 and up to £60,000	At least three quotes must be provided. If at least two quotes have not been provided, then an explanation why must be provided
equal to or over £60,000.01	You cannot provide photocopies or print-outs for items over £60,000.01, for these items a minimum of 3 quotes or evidence of tender must be provided including; 1) A detailed specification of the works

	<p>to be undertaken</p> <p>2) Evidence of the scoring used to select the company</p> <p>3) A suitable rationale for the decision to select the chosen company</p>
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In exceptional circumstances we may consider accepting fewer quotes than the minimum numbers. For example it may not be possible to obtain three quotes for specialist equipment. If you are unable to provide the minimum number of quotes or tenders required, you should speak to MMO for advice and your application should explain why this has not been possible.

Public applicants

Different rules apply to different applicants when obtaining quotes for projects. The rules for public applicants such as public authorities and government organisations and the rule for private applicants such as private businesses are below.

For Public Applicants Public procurement rules must be followed.

Public applicants - Externally procured services and items

The procurement of goods and services that are acquired externally must follow the procurement rules of the organisation applying and evidence of those procurement rules must be provided with the application.

An example of evidence required in support of a procurement policy is referenced below however organisational requirements will differ;

Value of goods and services	Evidence requirement
Goods and services up to £1,000 per item	1 quote is required
Goods and services between £1,000 and £10,000	3 quotes are required and a brief scoping document outlining the scope of the goods and services being requested

Goods and services over £10,000	A scoping document, formal tender with associated documentation including tender evaluations
Good and Services over £100,000	EU procurement rules apply

In certain circumstances there may be only one supplier that can provide the goods or services, this could be because;

- it is the only provider who has the necessary skills or equipment to undertake the work,
- the provider owns the exclusive rights required to deliver the goods or service.

If this is the case then it is a Single Tender Action (STA) or equivalent and it is necessary for evidence to be supplied;

- in the example of the organisational procurement policy, for all STA's over £1,000 pre-procurement approval must be provided in the form of a completed Pre Procurement Approval Form (PPAF) or equivalent which evidences the supporting justification for the STA and must be approved by the business area and the Head of Procurement or equivalent prior to any purchase of the goods or services
- if your organisation does not follow a similar formalised process then evidence of project objectives, a breakdown of the costs, an outline of any value for money considerations, reasons for not procuring in the usual way and any relevant supporting documentation must be provided.

Public Applicants - Internally procured goods and services.

If the goods and services are being supplied to the project internally, by your own organisation then formal procurement is not applicable. However to ensure value for money is considered we would need to see the following information;

- a rationale for using internal staff/services - this should include but is not limited to; evidence of the skills and experience of the individual

and their suitability for the role undertaken, or evidence of the unique suitability of the vessel/equipment for the project

- evidence that the project has satisfied a value for money assessment where possible

Calculating Staff Costs

Staff costs can be eligible for EMFF but only in certain circumstances. For capital or revenue projects staff costs are deemed as running costs and are not eligible. For projects with a common interest like research or studies where the findings are made public the staff time can only be reimbursed where the work on the project is not part of an employee's regular job role.

Staff costs where a member of staff is working directly on your project can be included in your project costs.

If your project includes staff costs you must provide:

- a [Staff hourly rates calculator](#)
- a job description of the staff member
- payslip or proof of salary
- information on contracted hours in current job role and;
- the role in the project

You can only include the hours they spend exclusively on your project. All costs must be supported with payslips or PAYE reports to confirm the salary costs have been calculated using the correct rates. Please note all claims for staff costs must be accompanied by signed timesheets and evidence of payment when submitting your claim.

If your project includes salary costs and you anticipate that there will be pay rises within the lifetime of the project, these will be scrutinised by the MMO. You will need to provide a detailed rationale for any pay rises proposed with justification for the rise applied. Pay rises funded through EMFF are not guaranteed. If this applies to you speak to the MMO before applying.

Travel and Subsistence (T&S)

If you applying for [Travel and subsistence](#) (T&S) costs as part of your project they must be in line with MMO rules. Contact MMO or see the website for guidance.

Quotes in Foreign Currencies

When you submit a quote which is in a foreign currency you must calculate the exchange rate at the time the application is submitted. You can use this website to convert your amounts;

http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm

You must tell us the exchange rate you have used and the pound sterling amount you have calculated.

You must do this for each quote you send us in any foreign currency.

Where there are exchange rate fluctuations between submitting an application for funding and an offer of funding being made the MMO will use the most favourable exchange rate for you. When you claim your funding you will be reimbursed for the actual amount you have paid based on the exchange rate at that time. The foreign currency costs should not exceed the amounts stated on the original quote.

Leasing of items or equipment

In certain circumstances the cost of leasing items may make more sense in terms of value for money so can be included as part of the project costs. Items obtained through European Funding must be retained and not modified for a minimum of 5 years after acceptance of offer (Durability of Operations). Items can include but is not limited to plant for site works; porta-cabins for temporary work spaces and other equipment only needed for a limited time but is required for the delivery of the project.

Where leases are part of your project appropriate numbers of quotes must be supplied to ensure value for money is considered. You must also

provide a rationale with your application explaining why the use of leased items is better value for money than purchase.

Leases on land or buildings. If you have leased land or buildings within your project for example; if your project is the fitting out of a leased building into a processing unit. The land or building must have a lease remaining of at least 10 years from the time you apply for funding. If your land or building does not have at least 10 years lease remaining at the time of applying the project will not be eligible for funding.

Targets and Benefits

Your project must have Targets and Benefits that can be achieved directly by the project. Further details of the types of Targets and Benefits you should consider can be found in the individual guidance notes depending on the type of project you are applying for.

Targets and Benefits help you and MMO measure the success of your project so they should be specific to your project, measurable, achievable, realistic and have timescales or deadlines.

If you do not meet the Targets and Benefits originally agreed and set out in the Offer Letter issued to you by MMO then the level of achievement of the Targets and Benefits will be considered. The MMO will take a proportionate approach to this consideration and where possible work with you to address the issues identified. The MMO must protect the public funding elements of the EMFF scheme and any match funding wherever possible. Because of this, recovery of funding paid to you, or the withholding of any funding outstanding may occur if it is considered necessary.

Permissions, Planning consents and licences

If your project needs specific permissions, consents and licences to go ahead, you must send proof that you have them to MMO when you apply. You should talk to the relevant authority to find out if you need any consents including Marine Licences.

If your planning consents and/or licences are not in place when you apply to MMO for funding you should supply details of when these are expected and forward to MMO as soon as they have been received. An offer of funding cannot be issued without the required planning consents and/or licences being in place. It is possible you can receive an offer in principle if the project is eligible and meets the requirements of the scheme while the planning consents and/or licences are being obtained. An offer in principle is not an offer of funding and you cannot claim funds until you receive a full offer of funding.

Table 1 Example Cash Flow Forecast for 12 Months

Cash Flow Forecast - 12 Months

Month:	Pre-Start	1	2	3	4	5	6	7	8	9	10	11	12	Totals
Receipts														
Cash sales	£0.00	£0.00	£10,020.00	£10,855.00	£12,525.00	£14,195.00	£15,865.00	£18,370.00	£21,710.00	£24,215.00	£26,406.00	£28,808.00	£33,066.00	£216,035.00
Collections from credit sales	£0.00	£0.00	£0.00	£251.00	£418.00	£501.00	£501.00	£585.00	£752.00	£752.00	£1,002.00	£1,002.00	£1,166.00	£6,930.00
Loans received	£0.00	£16,700.00	£0.00	£0.00	£8,350.00	£0.00	£0.00	£8,350.00	£0.00	£0.00	£8,350.00	£0.00	£0.00	£41,750.00
Total Receipts	£0.00	£16,700.00	£10,020.00	£11,106.00	£21,293.00	£14,696.00	£16,366.00	£27,305.00	£22,462.00	£24,967.00	£35,758.00	£29,810.00	£34,232.00	£264,715.00
Payments														
Cash purchases	£0.00	£401.00	£326.00	£166.00	£131.00	£237.00	£166.00	£149.00	£149.00	£166.00	£113.00	£113.00	£167.00	£2,284.00
Payments to creditors	£0.00	£1,203.00	£978.00	£499.00	£392.00	£713.00	£499.00	£446.00	£446.00	£499.00	£339.00	£339.00	£503.00	£6,856.00
Overheads	£0.00	£6,304.00	£5,120.00	£2,620.00	£2,058.00	£3,728.00	£2,620.00	£2,336.00	£2,336.00	£2,620.00	£1,780.00	£1,780.00	£2,631.00	£35,933.00
Total Payments	£0.00	£7,908.00	£6,424.00	£3,285.00	£2,581.00	£4,678.00	£3,285.00	£2,931.00	£2,931.00	£3,285.00	£2,232.00	£2,232.00	£3,301.00	£45,073.00
Cashflow Surplus/Deficit (-)	£0.00	£8,792.00	£3,596.00	£7,821.00	£18,712.00	£10,018.00	£13,081.00	£24,374.00	£19,531.00	£21,682.00	£33,526.00	£27,578.00	£30,931.00	£219,642.00
Opening Cash Balance	£0.00	£0.00	£8,792.00	£12,388.00	£20,209.00	£38,921.00	£48,939.00	£62,020.00	£86,394.00	£105,925.00	£127,607.00	£161,133.00	£188,711.00	£861,039.00
Closing Cash Balance	£0.00	£8,792.00	£12,388.00	£20,209.00	£38,921.00	£48,939.00	£62,020.00	£86,394.00	£105,925.00	£127,607.00	£161,133.00	£188,711.00	£219,642.00	£1,080,681.00

Private Match Funding

It is your responsibility to source and provide private match funding if this is required as part of the application for EMFF funding. Typical sources of private match funding can include business loans or cash resources. The source of private match funding should be clearly stated when applying for funding. Before committing any private resources to the project we recommend you seek independent financial advice.

Cash, loans or grants from other sources being used for match funding must be in place before applying for EMFF. You may be asked for proof this is in place before a decision is made.

Non-cash Match Funding

The value of land, buildings or assets cannot be used as match funding.

Future revenue from projects or other businesses cannot be used as match funding.

Items or services where there are no actual costs incurred cannot be used as match funding; this is In Kind funding, see below for details of this type of match funding.

In kind

In Kind costs are those where no actual costs have been incurred.

For example, an organisation allowing a member of staff to work on an EMFF funded project for 1 day per week, but while paying the person is not an In Kind cost. Alternatively, the same person volunteering outside of work hours, for which they are not paid, is an In Kind Cost.

As no actual costs are being incurred, In Kind costs cannot receive a financial contribution from the EMFF scheme. However, In Kind costs may be an important part of delivering a project.

When applying for funding, In Kind costs should not be included in the actual costs associated with the project but should be detailed within either the application form or the business case to explain why these are important.

In Kind costs should not exceed 10% of the total budget for a project.

Project Management

In general Project Management costs should not exceed 10% of the total project costs.

It is acknowledged that revenue projects can incur higher Project Management costs in some circumstances and that capital projects are normally expected to incur lower project management costs.

In either case if you wish to incur more than 10% Project Management costs on your project you must provide a detailed rationale of the need for the increased costs with your project application. Any requests for Project Management costs above 10% of the total project costs will be carefully assessed by MMO and therefore consideration should be given to ensuring that costs of this nature provide the best possible value for money for the public funding.

Phased Projects

Projects can be delivered in phases if there is a good reason to do so. Phases must be standalone and not dependent on other phases or projects. Each phase must have its own Targets and Benefits and must achieve them without depending on other phases or projects. Phases should be completed and all eligible costs claimed before the next phase is applied for. Applying for a phased project does not guarantee that funding will be approved or available for any subsequent phases, responsibility for funding future phases rests with you as the applicant.

Durability of Operations

To ensure the effectiveness, fairness and sustainable impact of the intervention of the EMFF scheme, provisions guaranteeing that investments in businesses and infrastructures are long-lasting and prevent European Funding from being used to undue advantage should be in place.

Therefore items purchased using public funding from the EMFF Scheme must be owned and used for their original purpose for a minimum of five years, except where State Aid rules provide for a different period or the items are leased, see the **Leasing of items or equipment section** for more advice.

In the case of a project comprising investment in infrastructure or productive investment, and where the applicant is not a Micro, Small or Medium enterprise (SME), you will be required to repay the funding contribution from the EMFF scheme if, within 10 years of the final payment to the project, the project or its activity is subject to relocation outside of the European Union.

Some or all of the funding for projects that do not meet the Durability of Operations above will be recovered.

Research Projects

Results of research projects must be made public through appropriate means including publication and circulation in appropriate channels, and publication on websites.

State Aid

All projects must comply with all other eligibility rules of the scheme and State Aid rules to be deemed eligible for funding.

State Aid rules do not apply to the majority of projects which are eligible under the EMFF scheme. However, projects that relate to the catching, production and/or processing of fisheries products. These are defined in:

- Annex I of the Treaty for the Functioning of the European Union (found in the Official Journal of the European Union under 2012/C 326/01) and;
- Annex I & II of the Common Market Organisation regulation EU 1379/2013

If you feel that your project does not meet these criteria then you should contact the MMO to discuss your project before making an application for funding. This may result in the MMO obtaining advice from State Aid Experts.

Simplified costs

Simplified costs can be used by applicants for projects where evidencing the actual costs incurred is excessively time consuming or difficult. This does not apply to capital purchases and is limited to costs such as overheads or staff costs incurred as part of a wider project.

You can use simplified costs in certain circumstances. Applications for the use of simplified costs need to demonstrate sound levels of transparency and evidence to show that the costs are reasonable and based on a sound calculation/evidence methodology.

Simplified costs can be used when:

- The real costs relating to a project are difficult to verify and to demonstrate for example many small items to verify with little or no impact on the project
- There is reliable data on financial and quantitative implementation of previous costs which can be used to demonstrate the likely costs for the proposed project

The three options for calculating simplified costs are:

1. Unit costs – may be used where it is possible to determine the standard scale of unit cost related to a specific activity (either process - or outcome-based) in advance. The calculation for the standard scale of unit cost must be fully evidenced in the application. The eligible cost of the activity in the operation will be calculated by multiplying the quantity of activity with the standard scale of unit cost you have provided.

Method of Calculation

The eligible activities required in order to complete the process/outcome must be listed in the application for funding.

The real cost of each activity must be based on statistical data or other objective information; verified historical data or the application of the usual cost accounting practices of the beneficiary and this evidence must be provided with the application

The above supplied information will be used by the MMO to establish the Unit cost which may be included in any Offer Letter.

2. Lump sum award - in advance of issuing any Offer Letter, the amount of a lump sum to be included in any Offer Letter will be determined by the MMO based on predetermined terms of agreement on activity and/or output. This lump sum will only be paid if all these terms are completed and this will not be in the form of an advance payment before costs are incurred by you.

Method of Calculation

The desired activity/output of the project needs to be described in the application. As should the list of actions required in order to complete the activity/output. This information should be supported by evidence of statistical data or other objective information; verified historical data or the application of the usual cost accounting practices of the applicant (supported by internal guidance from the applicant's organisation).

The above supplied information will be used by the MMO to establish the Lump sum award which may be included in any Offer Letter.

3. Flat-rate financing – in advance of issuing any Offer Letter the amount of Flat-rate financing will be calculated by the MMO. This will be based on categories of eligible costs as a percentage of specific and clearly identifiable categories of other associated and evidenced eligible costs. These costs need to be fixed before the application is made.

Method of Calculation

Option 1 – Flat Rate of up to 25% of Eligible Direct Costs

The costs within the application need to be clearly identified to allow the MMO to determine which Type category these costs fall into (see below).

The real costs within the application must be evidenced based on statistical data or other objective information; verified historical data or the application of the usual cost accounting practices of the beneficiary.

The MMO will determine the rate of finance to be used for indirect costs which may be included in the Offer Letter.

Option 2 – Flat Rate of up to 15% of Direct Staff Costs

The costs within the application need to be clearly identified to allow the MMO to determine which Type each category of expenditure falls into (see below). The real costs within the application must be evidenced based on statistical data or other objective information; verified historical data or the application of the usual cost accounting practices of the beneficiary.

The MMO will determine the rate of finance to be used for indirect costs as a ratio of direct staff costs which may be included in the Offer Letter.

Flat Rate Financing Type Categories

Type 1 – direct staff costs

Type 2 – indirect costs

Type 3 - direct costs other than staff costs

All projects, where there is a workforce of one or more persons

All projects, where there is a workforce of one or more persons, whether permanent or temporary, must comply with any sanitary rules appropriate to the UK. You must confirm in the relevant place on your application to indicate that you have considered the above.

6. Next Steps

MMO will contact you within 5 working days of receiving your application to confirm that we have received it. The email will explain that you can proceed at your own risk. This means you go ahead and purchase or begin works on the project but it is entirely at your own risk. The items you purchase or work you begin must be in line with the information submitted in your application form. The item, supplier and cost must be the same and any deviation will mean the costs are ineligible.

The MMO will write to you within 8 weeks to tell you if your application has been successful or not, provided we don't need any further information. If more information is needed the MMO will contact you to explain what is required and how long you have to provide it.

Your application will be assessed against approved selection criteria which can be found on the MMO website.

If your application is approved

If your project is approved, MMO will send you an Offer Letter which states the:

- conditions you must follow when completing your project - if you don't meet these MMO can withdraw or change the offer
- amount of money you've been awarded - in some cases you won't be awarded the total amount you applied for

How to respond to your Offer Letter

If you decide to accept the Offer Letter and its conditions you must sign the Acceptance of EMFF Offer and send to MMO.

You should also make a copy of the Offer Letter and keep it for your records.

Publicity

The European Commission and MMO will publish brief details of all successful projects, including your name or your organisation's name as applicable, a description of the project and broad details of any funding awarded; this is called the Transparency Initiative (TI).

If your application is declined

If MMO declines your application, we will send you a letter that explains why.

You can appeal this decision through MMO if you think that:

- it was based on a factual error
- it was legally wrong
- MMO made an error in processing your application

You have 28 days after the date of the letter to ask MMO to review its decision.

An Independent Appeal Officer will consider your application in full against the selection criteria. The appeal will either pass which means the original decision is overturned or fail and the original decision is upheld.

We will notify you of the outcome of your appeal within 6 weeks of receiving it.

If your appeal is successful and the original decision is overturned, you will be issued with either an Offer Letter or a partial Offer Letter.

If your appeal is unsuccessful the appeal decision is final and no further correspondence will be entered into. However you can reapply and your new application will be considered without prejudice unless fraud has been committed.

Claiming your Funding

If your application is successful, you will be able to claim EMFF funds via the E-system. Other claim form formats are available, contact MMO for details.

MMO will only pay you your funding in arrears meaning you will need to pay for your items before claiming from MMO - you need to prove you've spent your money on the item or service by submitting a completed claim form along with:

- Original dated invoices which show the amount of money you paid for each product or service you're claiming for
- Email invoices can be accepted but they must show the email trail from the supplier to the applicant
- Proof of payment
- A progress update on your project

MMO can decline to pay you part of the funding, or the whole funding, if they don't think the information on your invoices is accurate, or the products or services you bought aren't what were approved on your Offer letter.

The conditions in your Offer letter will explain about what you must do and the information you must send in to get your funding paid.

Your final claim date will be detailed in your Offer Letter and will be unique to your project. You must claim by this date. If you are unable to claim by the date detailed you must contact MMO as soon as possible to discuss options. The final date for submission of all claims is 31 December 2020.

Reporting your progress

You must update the MMO on the progress of your project when you make a claim for payment or every 6 months, whichever is sooner, plus one performance report each year for the first 3 years. A reminder will be issued when these are due.

You should tell us the following information;

- How is the delivery of your project going, what are the key milestones achieved to date?
- Is the project delivering on time?
- Have there been any problems or issues encountered?
- Do you foresee anything changing on the project including delivery timescales, items, suppliers or costs? If you do then you must inform MMO as soon as possible by making an amendment to your project in the E-system

If you don't carry out your project in accordance with the timetable in your Offer Letter, MMO will ask you to explain the delay and any impact on your targets and benefits. MMO could then cancel your funding offer or change it depending on the reasons you give. Should this be the case a full explanation will be provided.

MMO may also decide to reclaim any funds you have already been paid.

MMO can take criminal or civil action to reclaim any money we have paid you if we find you gave false information in your application, or if you do any of the following:

- break the conditions in the Offer Letter
- use the money for a different purpose to what you said you'd use it for when you applied
- commit fraud

Inspections

You must let MMO officials visit your vessel or other sites related to your project to check your progress and report it to the European Commission.

The following bodies can also inspect your project after you've been sent an Offer letter:

- National Audit Office
- European Commission
- European Court Auditors
- Any other agents deemed appropriate by the European Commission
- another Intermediate Body

You will usually be given at least 48 hours' notice, but this is not a requirement.

Reporting changes to your project

You need to apply to the MMO to change your project after you've signed and returned the offer letter, e.g. if you want to:

- change the way your project is funded E.g. how you are paying for your part of the project
- increase or decrease the total cost of your entire project
- use different contractors or suppliers to the ones agreed in your offer letter
- change the timetable of your project
- sell or dispose of any item of infrastructure purchased as part of your project
- stop any activity that's part of your project
- change the location of the activity

You need to justify any changes by telling the MMO in your EMFF E-system account.

If you change your project without telling the MMO, we could cancel your funding award, change it or refuse to pay funding for costs associated with the changes.

Any conditions in your offer letter apply for 5 years from the date of the offer.

Retrospective amendments

Retrospective amendments cannot be considered. You must apply to MMO to change your project before making changes including additional costs. If you modify your project without approval from MMO the project or part of the project could be ineligible for payment.

Changing the cost of your project

If you increase the total cost of your project, the MMO will only award you more funding if we decide you couldn't have predicted this increase when you were applying.

Amendments where costs decrease

If you are making changes to your project that decreases your project costs and the Targets and Benefits will be delivered as planned you do not have to tell MMO.

If you are making any changes to your project that decreases your project costs but the Targets and Benefits will not be delivered as planned you must inform MMO as soon as possible so that options can be discussed.

If the total eligible costs of your project decreases then so will the funding award.

Change of supplier

We understand that sometimes suppliers to your project have to change. The different types of changes and what you need to do are listed below;

- If you have changed supplier, and the new supplier quoted on the original project and the costs do not increase i.e. - the new supplier will match the original chosen supplier quote- then you do not have to notify us.
- If you want to change supplier and they have not previously quoted even if the costs will remain the same you will need to tell MMO by making an amendment request and get it approved before the change is made.

A rationale for all requested changes should be included in your amendment request.

Where a project is under the panel threshold of £100,000 and an amendment to the project costs takes it over £100,000

Projects with a total project cost of more than £100,000 will be considered by a panel of selected experts. Those projects with a total project cost of under £100,000 will be considered by the European Grants Team

Sometimes a project will be approved with a total project cost of under £100,000 but an amendment to the costs will take it over £100,000, in this case the following rules apply;

Any project that has a cost increase of less than 10% of the total project cost can be assessed by the European Grants Team at the MMO. Where a project was assessed by panel and the cost increase is greater than 10% of the total project cost, the amendment must be assessed by panel at the next meeting, or by written procedure if agreed. You will be informed by MMO if this applies to you, including the date of the panel where your project will be considered.

If a number of amendments are received that collectively exceed 10% of the total project cost MMO has the discretion to refer the requests to panel and to review the requests collectively. You will be informed if this decision is taken including the date of the panel where your project will be considered.

However please note the MMO has the discretion to send any project decision or amendment to panel, regardless of value if it is deemed necessary for reasons that can include but is not limited to complexity or risk to the fund.

Change to project manager within an organisation/project

If you have a change of project manager within your organisation you should inform the MMO in writing with the new contact details as soon as possible. If you don't inform MMO then it could result in your new project manager being unable to access or discuss the project or make a claim for payment.

Change of Ownership

If you have had a project approved then you should not sell or dispose of any funded items of the project within 5 years of approval of the project.

Consumables are exempt from this.

If you sell or undertake any other action that changes the ownership of any funded item from the project within the 5 years Durability of Operations the MMO must be informed in writing by you. This includes indirect changes E.g. where a premises or vessel changes ownership or where the location of any funded items changes.

It is your responsibility as the original applicant to inform the new owners of the funding obligations attached to the item. The new owners will be required to take on the terms and conditions of the funding for the time remaining up to 5 years from the original offer of funding was accepted.

If the new owner of the item or items does not accept the terms and conditions of the funding attached then it is deemed that the item has not fulfilled its obligations to the scheme and therefore recovery proceedings may be started and funding recovered from you as the original applicant.

Moving your vessel outside the European Union (EU)

You must not transfer a fishing vessel outside the EU for at least 5 years after spending EMFF funding on it - if you do this you must give back all or part of the EMFF money you received.

The exact amount you have to pay back depends on when you transferred the vessel.

Declaring additional funding

If you apply for, or receive funding through another scheme, you must:

- tell the organisation that runs the other scheme that you've been offered EMFF funding
- tell the MMO that you've been accepted for another type of funding

The MMO can decide that you're no longer eligible for EMFF funding if you get money from another scheme, based on:

- the source of the money - you'll be more likely to be ineligible for EMFF funding if you've got funding from another European Commission scheme
- the amount of money you got from the other scheme
- the conditions of the other funding

If you're deemed ineligible, MMO can take action to get money back from you, or cancel any payments that were due.

Records you must keep

If your application is successful, you must keep all documents related to your project for 5 years from the date of your last EMFF claim, including:

- licences
- consents
- quotes
- invoices
- receipts or other documents which record your spending
- all accounting documents related to your application
- claim forms

You must give the MMO or the European Commission any information or documents that they ask for at any stage.

The MMO may give your name and address to an independent person they've hired to evaluate your project.

You should also keep your project documentation under a separate accounting system or accounting code to ensure it is easily differentiated from your businesses other accounts and transactions.

7. Contact MMO

Write to;

European Grants Team
Marine Management Organisation
Lancaster House
Newcastle Business Park
Newcastle upon Tyne
NE4 7YH

Telephone;

020802 65539

Last updated 24.01.2018

Email;

EMFF.queries@marinemanagement.org.uk