

## **Maritime and Fisheries Fund (MFF) (England)**

### **Overview**

On the 10 December 2018, the Environment Secretary announced £37.2 million of extra funding to boost the UK fishing industry (£14.7 million for England). This is in addition to the £2 million (£700,000 for England) announced in the Budget on 29 October 2018 for fishing safety projects. The Marine Management Organisation is administering this funding as one £15.4 million programme for England under the Grants for Fishing and Aquaculture Industries Regulation 2015. Applicants will apply for funding for this demand led elements of the programme. Northern Ireland, Scotland and Wales are each running their own programmes to utilise the remainder of the announced funding.

### **Title of Aid Measure**

Maritime and Fisheries Fund (MFF) (England)

### **Aims and objectives**

This funding scheme is broadly similar to the European Maritime Fisheries Fund (EMFF) through aiming to provide targeted financial support to the seafood sector in England and will be funded entirely by national funds.

The main objectives of the funding are to focus on Union Priorities 1, 2 and 5 of the EMFF Operational Programme. These are:

- 1 - Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries.
- 2 - Fostering environmentally sustainable, resource efficient, innovative, competitive and knowledge based aquaculture.
- 5 - Fostering marketing and processing.

### **Use of FBER**

The Fisheries Block Exemption Regulation (FBER) (EC Regulation 1388/2014) will be used to deliver this funding as due to the high demand under EMFF, there was insufficient European funding remaining to co-finance this additional funding through EMFF.

### **Name of beneficiaries**

It is a demand led scheme. Beneficiaries will be known once applications have been received and approved.

### **National Legal Basis**

['Grants for Fishing and Aquaculture Industries Regulation 2015'](#)

"4.—(1) The Marine Management Organisation may pay grants for any of the purposes specified in Title V of the EMFF Regulation."

**State Aid**

The scheme will operate in accordance with EC Regulation 1388/2014, including references to EC Regulation 508/2014 on the European Maritime and Fisheries Fund (EMFF).

This scheme will also comply with the common provisions set out in Article 1 of EC Regulation 1388/2014.

**Measure Type**

An aid scheme.

**Duration**

24 October 2019 to 31 March 2022.

**Size of Enterprise**

Small and medium-sized enterprises (SMEs)

**Member State**

United Kingdom

**Region**

England.

**Aid Instrument**

Grant.

**Total Budget**

£15.4 million

**Total Annual Budget**

2019/20 - £1.55 million, 2020/21 - £7.65 million and 2021/22 – £6.2 million.

**Grant Authority**

Marine Management Organisation

Lancaster House

Hampshire Court

Newcastle upon Tyne NE4 7YJ

England

United Kingdom

**Objective of the Aid**

The scheme is operated in full compliance with the [EC Regulation 1388/2014](#) and utilises the following articles within that Regulation:

13 - Aid for innovation.

- 14 - Aid for advisory services.
- 15 - Aid for partnership between scientists and fishermen.
- 16 - Aid to promote human capital, job creation and social dialogue.
- 19 - Aid to improve health and safety.
- 21 - Aid to support systems of allocation of fishing opportunities.
- 22 - Aid to support the design and implementation of conservation measures and regional cooperation.
- 23 - Aid to limit the impact of fishing on the marine environment and adapt fishing to the protection of species.
- 24 - Aid to innovation linked to the conservation of marine biological resources.
- 25 - Aid for the protection and restoration of marine biodiversity and ecosystems and compensation regimes in the framework of sustainable fishing activities.
- 26 - Aid to improve energy efficiency and to mitigate the effects of climate change.
- 27 - Aid to added value, product quality and use of unwanted catches.
- 28 - Aid to fishing ports, landing sites, auction halls and shelters.
- 29 - Aid to inland fishing and inland aquatic fauna and flora.
- 30 - Aid for innovation in aquaculture.
- 31 - Aid to productive investments in aquaculture.
- 32 - Aid to management, relief and advisory services for aquaculture farms.
- 33 - Aid to promote human capital and networking in aquaculture.
- 34 - Aid to increase the potential of aquaculture sites.
- 37 - Aid to aquaculture providing environmental services.
- 41 - Aid for marketing measures.
- 42 - Aid for the processing of fishery and aquaculture products.

#### **Aid intensity**

The amount of the aid does not exceed, in gross grant equivalent, the maximum intensity of public aid fixed by Article 95 of EC Regulation 508/2014 and the implementing acts adopted on the basis of Article 95(5) of that Regulation. This scheme will also comply with any individual aid intensities or ceilings limiting payment levels in the specific Article of EC Regulation 1388/2014 the measure is notified under.

#### **Justification for focus on Union Priorities 1, 2 and 5.**

The total EMFF budget for England is currently £82 million. To the end of March 2019, the European Grants Team (EGT) have approved 1,326 projects with an EMFF value of £72 million. There is a further pipeline of 250 projects submitted which are yet to be approved of £5 million.

Of the 1,285 projects approved in the core area of the scheme these are concentrated in the following areas:

- Union Priority 1 - Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries (985 projects £26.5 million).
- Union Priority 2 – Fostering environmentally sustainable, resource efficient, innovative, competitive and knowledge based aquaculture (44 projects £2.1 million).
- Union Priority 5 - Fostering marketing and processing (98 projects £5.4 million).

Due to the high demand leading to a lack of available budget in these areas, this is where England will be focussing the additional funding. There are a number of areas of the scheme within Union Priorities 1, 2 and 5 where a particular focus will be applied with Union Priority 5 being the main priority, followed by Union Priority 2 and then Union Priority 1. However, as this is a demand led scheme, this will rely on applications coming forward in these areas.

*Union Priority 1 - Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries*

#### *Ports and harbours*

Ports and harbours is an important area of the scheme and continues to deliver a range of projects to improve infrastructure and facilities along the English coast. The ports and harbours area of the scheme covers 2 main areas, infrastructure improvements to existing ports and for developments to deal with the obligation to land all catch. Given that the projects in this area are generally larger in value, the budget was quickly exhausted and the budgets across Union Priority 1 have been managed to accommodate in this key area.

#### *Health and safety*

Health and safety continues to deliver high volume, low value projects. Health and safety has continued to be an integral part of the scheme and we expect to continue to receive large numbers of applications in the key areas:

- Health and safety equipment on board vessels
- Working conditions and crew safety
- Health and safety training

#### *Added value*

Although the projects in the added value to catch area of the scheme are low in grant value, the benefits for industry, in particular the small scale fleet, are huge.

*Union Priority 2 - Fostering environmentally sustainable, resource efficient, innovative, competitive and knowledge based aquaculture*

Under aquaculture, the majority of funding has been committed to projects delivering productive investments in aquaculture like creation, modernisation, improvement and expansion of aquaculture farms (which has a grant cap of £250,000). During 2018, the MMO have been talking extensively with several key stakeholders from within the aquaculture sector and significant projects have been proposed across the various articles available. There has been a large influx in applications looking

into the feasibility of Seaweed farms around the coast and it is expected that these surveys will lead to actual large scale projects.

#### *Union Priority 5 - Fostering marketing and processing*

##### *Processing & Marketing*

The Processing & Marketing area of the scheme was closed for applications to EMFF Articles 68 & 69 in December 2017 due to a high number of applications being approved which exhausted the budget.

Since closing for applications, the MMO have received a large number of queries on the possibility of this area of the scheme opening again. The European Grants Team have been continually reviewing the budgets to ensure maximum uptake and looking for any opportunities to 'recycle' any unclaimed grants. Unfortunately there has been no flexibility with budgets to reopen the scheme so this would be a top priority with a sizeable allocation. Given that the majority of applicants in this sector will be private companies we have no issues with admissibility.

Of any processing measures that are selected for funding, they will use the industrial de minimis regulation to provide the required state aid cover.

##### **Notification threshold**

The notification thresholds of EUR 2 million eligible costs or aid amounts in excess of EUR 1 million per beneficiary per year as set out in Article 2 will be applied. These thresholds are to be applied for each individual project.

##### **Definitions**

The definitions as set out in Article 3 will be applied.

##### **Common Fisheries Policy**

The beneficiaries of the aid shall comply with the rules of the Common Fisheries Policy as required under Article 4.2.

##### **Transparency of Aid**

Aid will be transparent as set out in Article 5 of EC Regulation 1388/2014 and provided in the form of grants.

##### **Cumulation**

Aid will comply with the cumulation requirements as set out in Article 8 of EC Regulation 1388/2014.

##### **Application process**

An IT system will be used to submit and process applications. This mirrors the system under EMFF. For applicants this will appear identical to the system used for EMFF and applications will be processed in line with the same principles as under EMFF. Details on MFF, including the application form and accompanying guidance, can be found here:

<https://www.gov.uk/guidance/maritime-and-fisheries-fund-mff-before-you-apply>

##### **Publication and information**

The requirements under Article 9 will be complied with through publication of the required information on a website within the timescales set out and in the required format.

## **Reporting and monitoring**

The reporting and monitoring requirements as set out under Articles 11 and 12 of EC Regulation 1388/2014 will be applied. This includes provision of an annual report in respect of each whole year or each part of the year of the scheme

Detailed records with the information and supporting documentation necessary to establish that all the conditions laid down in this Regulation are fulfilled will also be maintained. Such records shall be kept for 10 years from the date on which the last aid was granted under the scheme. When requested, the Commission will be provided within a period of 20 working days or such longer period as may be fixed in the request, with all the information and supporting documentation which the Commission considers necessary to monitor the application of this Regulation.

## **De Minimis**

If a project is received that would not comply with this notification and its value is under €30,000, De Minimis could be used and the Commission would not need to be notified. The Commission would still need to be aware the payment has occurred for the Transparency Register and because under Article 6 of EC Regulation 717/2014, there is a need to demonstrate that the conditions of the regulation have been complied with. These conditions include a maximum of €114,780,000 aid being given in total under the regulation across the UK (over a 3 year period) as stated under the Annex of EC Regulation 717/2014.

Prepared on 24 October 2019 – Defra and Marine Management Organisation.