

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

Citizens Summary for the UK European Maritime and Fisheries Fund (EMFF) 2021

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.

Management of the Programme and Calls for Proposals

Scheme implementation progressed well in 2021, owing to successful communications between UK Intermediate Bodies (IBs) and beneficiaries, who have provided flexibility to delay or scale back operations due to external factors.

At the 31 December 2021, the UK EMFF allocation is 97% committed with a total of €236.4/£200.0million awarded to projects. This marks a substantive uplift from the previous year, where the UK allocation was 84% subscribed. This progression is heavily impacted by exchange fluctuation.

UK spending also progressed well during 2021. €32.6/£28.5million has been certified and claimed in the reporting year, bringing UK EMFF expenditure to a total of €173.8/£152.7million and representing 71% of the allocation.

Measures were broadly closed throughout 2021 due to the majority of funding available to industry being exhausted in previous years.

After opening to accommodate a restricted number of measures in 2020, primarily coronavirus-response initiatives, England and Scotland have paused applications to their programmes. In Northern Ireland, all measures were open until October 2021, at which point the programme reached full commitment and was closed. In Wales, all measures were paused after December 2020, allowing the IB to review approved projects and determine an accurate position for commitments and remaining funds. In 2021, the IB re-opened for applications under Union Priority 3, all other priorities remained closed while the IB planned for targeted intervention in 2022.

External Factors

External factors have affected the implementation of the EMFF programme throughout 2021. The ongoing impacts of Coronavirus and EU Exit have been felt by EMFF Authorities and their beneficiaries. Delivery teams were impacted by staff absences and limited access to offices.

In consultation with beneficiaries, IBs have found that number of projects will be delayed or scaled back as a result of the impact these factors have had on the price and availability of raw materials, and availability of key staff to implement projects. These issues have led to a surge in the number of change requests being submitted to IBs for assessment.

Exchange fluctuation is discussed throughout the annual implementing report and is of key concern when ensuring the UK allocation of €243.1million is not heavily over or undersubscribed. As at December 2020, the UK allocation was worth £217.4million, one year onwards, the sterling equivalent is £205.7million; progression of the pound throughout 2021 has adversely impacted the budget available to new projects.

The Managing Authority are tracking the risk surrounding exchange fluctuation on the UK programme risk register. IBs also monitor this individually noting their devolved budget arrangements and use this to inform whether future calls for applications should be made.

Funding Priorities

The UK EMFF programme is organised around the following priorities:

Union Priority 1 (UP 1) 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.

Since the UK opened for applications in 2016, 1,989 projects with an EMFF value of €74.3/£62.8million have been approved, representing 5% over-booking to the Union Priority 1 budget of €70.6million. 1,915 projects with EMFF expenditure of €58.4/£51.6million have been declared to the Managing Authority, representing 83% of this budget.

Most approved projects fall under Health and Safety (750, 38%), limiting the impact of fishing on the marine environment (331, 17%) and added value, quality and use of unwanted catches (283 14%). The measures attracting the highest budget requirements are Ports and Harbours and Protection and Restoration of Marine Biodiversity, representing 32% and 11% of UP 1 commitments.

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%).

Of the 9 Output Indicators applicable to UP 1, 6 (67%) have achieved over 95% of their 2023 target. Once all approved projects have declared expenditure, UP 1 output indicator targets will be at least 95% met, with 6 fulfilling or exceeding their targets.

Of the 1,989 operations selected, a majority of 1,833 (92%) are completed with the final claim paid, a further 5 (<1%) await payment on their final claim. 77 projects (4%) are under implementation, 63

(3%) have yet to declare expenditure. 10 (<1%) have been abandoned by beneficiaries, and 1 (<1%) has been interrupted following partial implementation.

In relation to the gender of beneficiaries, 1,584 (80%) are male, 17 (<1%) are female and 12 (<1%) are other. Gender codes are not applicable to 376 (19%) of projects, where beneficiaries are organisations.

Size of the operators requesting assistance were 1,620 (81%) micro enterprises, 122 (6%) small, 19 (1%) medium and 5 (<1%) large. SME definitions are not applicable to 223 (11%) operators; in these cases, beneficiaries are public bodies and other non-SMEs.

From programme launch to the 31 December 2021, the top performing result indicators are those related to employment maintained, reduction in accidents and injuries and change in net profits, where 2023 outcomes are 273%, 125% and 82% achieved respectively.

The least performing results indicators are change in the coverage of Natura 2000 areas or other spatial protection areas. Projects falling under these measures aim to improve the management of existing sites, rather than to expand or develop new sites.

Union Priority 2 (UP 2) 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.

Since the UK opened for applications in 2016, 168 projects with an EMFF value of €18.7/£15.8million have been approved, representing 87% of the UP 2 budget of €21.6/£19.3million. 152 projects with EMFF expenditure of €13.5/£11.9million have been declared to the Managing Authority, representing 63% of the budget.

Most approved projects fall under Productive investments in aquaculture (101, 60% on Union Priority 2 projects). A further 28 (17%) relate to Public Health Measures, which was launched as a Coronavirus-response initiative during 2020.

Productive investments have attracted the highest budget requirements under UP 2, accounting for 58% of EMFF commitments. Innovation in aquaculture has also received high uptake, and accounts for 28% of priority commitments.

Of the 5 Output Indicators applicable to UP 2, 1 has achieved its 2023 milestone. Once all approved projects have declared expenditure, 3 OIs (60%) will have achieved over 88% of their 2023 target, and the remaining two will achieve 62-79% of their target. UK plans to address these output indicator targets are discussed in the Annual Implementing Report.

Of the 168 operations selected, a majority of 126 (75%) are completed with the final claim paid, a further project (<1%) has completed and awaits payment of the final claim. 25 projects (15%) are under implementation, 15 (9%) have yet to declare expenditure and 1 (<1%) has been abandoned by a beneficiary following partial implementation.

In relation to the gender of beneficiaries, 107 (64%) are male and 13 (8%) are female. Gender codes are not applicable to 48 (29%) of projects, where beneficiaries are organisations, as opposed to individuals.

Size of the operators requesting assistance were 114 (68%) micro enterprises, 34 (20%) small, 3 (2%) medium and 2 (1%) large. SME definitions are not applicable to 15 (9%) operators; in these cases, beneficiaries are public bodies and other non-SMEs.

From programme launch to the 31 December 2021, the top performing indicator under UP 2 is maintaining employment, where completed projects have exceeded the 2023 target by a margin of 435%, with projects contributing to the maintenance of 322 jobs against a target of 74; these results were reported in 2021, when further data collection activities were completed.

The remaining results indicators are making steady progress toward their 2023 objectives. The indicators concerning increase in the volume and value of aquaculture production and increase in net profits are 62-65% achieved, up from 46-57% in the previous year owing to the completion of additional UP2 projects. The UK expect that further benefits will be achieved in these areas with the completion of the remaining UP 2 projects.

Union Priority 3 (UP 3) 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, 79 projects with an EMFF value of €93.3/£78.9million have been approved, representing 96% of the UP 3 budget of €97.6/£82.6million. 68 projects with EMFF expenditure of €65.9/£57.5million have been declared to the Managing Authority, representing 67% of the budget.

Control and Enforcement Update

Control and Enforcement accounts for 56% of Union Priority 3 projects, with 44 operations selected. Of these, most relate to the purchase, installation, and development of technology (16).

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, 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.

Data Collection Framework Update

The Data Collection programming period completed on the 31 December 2020. The UK provided its final annual report concerning the collection of primary biological, technical, environmental and socio-economic data on the 28th May 2021.

In June 2021, the European Commission's Scientific, Technical and Economic Committee for Fisheries (STECF) working group convened to review the UK report, seeking to evaluate the quality of data collected in accordance with Article 11(2) of the DCF Regulation 2017/1004; no data issues were identified, allowing the UK DCF programme to be closed.

IBs have worked closely with DCF partners to reclaim DCF funding from the European Commission. At the 31 December 2021, the DCF programme has reclaimed 95% of its allocation from the

Commission, leaving small balances to be processed for payment in 2022; these balances all fall within the EU DCF programming period, relating to eligible activities prior to the 31 December 2020.

As outlined in the OP, work has focussed on:

- the collection, management and use of data for the purpose of scientific analysis and implementation of the CFP;
- biological sampling of stocks covered by the CFP;
- research surveys at sea;
- at-sea monitoring of commercial and recreational fisheries;
- collection of economic and socio-economic data for marine fisheries, aquaculture and processing;
- development and improvement of data collection and management systems; and
- coordination and support for research on the marine environment.

Of the 2 Output Indicators applicable to UP 3, one is on track to achieve its 2023 target and the other has exceeded its objective.

Of the 79 operations selected, a majority of 55 (70%) are completed with the final claim paid, 3 projects (4%) await payment on their final claim. 10 projects (13%) are under implementation and 11 (14%) have yet to declare expenditure.

One large operator (1%) has requested assistance toward the Data Collection Framework programme. SME definitions are not applicable to the remaining operators 78 (99%) where beneficiaries are public bodies.

Individual projects do not directly contribute to the results indicators aligned to UP 3, which concern serious infringements detected, landings subject to control and increase in fulfilment of data calls. These indicators are measured at the national level, based on a combination of UP 3 projects and broader DCF/enforcement activity are reported separately to STECF.

Union Priority 4 (UP 4): 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.

In the UK a total of 19 Fisheries Local Action Groups have been selected to deliver their 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, FLAGs have facilitated the approval 423 operations with an EMFF value of €13.0/£11.0million representing 94% of the UP 4 budget of €13.8/£11.6million. A total of 353 projects with EMFF expenditure of €9.4/£8.3million have been declared to the Managing Authority, representing 68% of the budget.

Most approved projects fall under the implementation of local development strategies, with 414 projects approved (98% of all UP 4 projects, and 99% of the EMFF budget allocated to UP 4). These projects generally aim to add value or provide socio-cultural investments. There are a further 9 projects which provided preparatory support to UK FLAGs.

Of the 3 Output Indicators applicable to UP 4, 2 (67%) have achieved their 2023 targets, and one has failed to attract projects. A summary of the UK plans to address this is provided in the Annual Implementing Report.

Of the 423 operations selected, a majority of 315 (74%) are completed with the final claim paid, a further 2 projects (<1%) have completed and await payment of their final claim. 43 projects (10%) are under implementation, 62 (15%) have yet to declare expenditure and 1 (<1%) has been abandoned by a beneficiary following partial implementation.

In relation to the gender of beneficiaries, 127 (30%) are male, 25 (6%) are female and 31 (7%) are other. Gender codes are not applicable to 240 (57%) of projects, where beneficiaries are organisations, as opposed to individuals.

Size of the operators requesting assistance were 192 (45%) micro enterprises, 42 (10%) small, 21 (5%) medium and 1 (<1%) large. SME definitions are not applicable to 167 (39%) operators; in these cases, beneficiaries are public bodies and other non-SMEs.

The specific result indicators aligned to Union Priority 4 concern the creation of employment and businesses. As at the 31 December 2021, both indicators are performing well. Projects completed to date have resulted in the creation of 139 roles and 18 businesses. On this basis, the 2023 targets for each indicator have been 75% and 120% achieved, up from 65% and 100% at the end of 2020 owing to the completion of additional UP 4 projects.

Union Priority 5 (UP 5) 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.

Since the UK opened for applications in 2016, 183 projects with an EMFF value of €22.2/£18.8million have been approved, representing 92% of the UP 5 budget.

172 projects with EMFF expenditure of €18.1/£15.9million have been declared to the Managing Authority, representing 75% of the budget.

Most approved projects fall under processing of fishery and aquaculture products (158, 86% of Union Priority 5 projects). This measure has also attracted the highest budget requirements under UP 5, accounting for 80% of commitments under the priority.

The flow of funding to Union Priority 5 was interrupted by the European Commission (EC) in July 2018, linked to a potential risk of non-compliance of Producer Organisations with the Common Market of Fisheries and Aquaculture Products regulation. Additional checks have been introduced to verify PO compliance at the project assessment stage. In 2020, Defra policy leads clarified with the Commission to report that the UK has fulfilled its compliance requirements for Producers Organisations, the UK awaits formal correspondence from the Commission to confirm this risk can be closed.

Of the 3 Output Indicators applicable to UP 5, 2 (67%) have broadly achieved, or exceeded their 2023 targets. Once all awarded projects declare expenditure, all output indicators will be achieved or exceeded across Union Priority 5.

Of the 183 operations selected, a majority of 156 (85%) are completed with the final claim paid, a further project (<1%) has completed and awaits payment of the final claim. 15 projects (8%) are under implementation and 9 (5%) have yet to declare expenditure. From programme launch to date,

1 project (<1%) has been abandoned by a beneficiary following partial implementation and a further project (<1%) has been interrupted following partial implementation.

In relation to the gender of beneficiaries, 50 (27%) are male, 4 (2%) are female and 3 (2%) are other. Gender codes are not applicable to 126 (69%) of projects, where beneficiaries are organisations, as opposed to individuals.

Size of the operators requesting assistance were 63 (34%) micro enterprises, 73 (40%) small and 44 (24%) medium. SME definitions are not applicable to 3 (2%) operators; in these cases, beneficiaries are non-SMEs.

The top performing result indicators under UP 5 concern changing the value and volume of first sales in non-producers organisations, where completed projects have fulfilled UK targets to 90% and 83% respectively. Progress against these indicators demonstrates that at present, the fund has resulted in an increase in volume of first sales by almost 17,000 tonnes, and first sales in the region of €46.4million and represents an increase from 78% and 73% on the previous report, owing to the completion of additional projects.

The remaining result indicators concern changing the value and volume of first sales in producers organisations, where 2023 targets are 52% and 50% achieved.

Union Priority 6 (UP 6) 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.

Since the UK opened for applications in 2016, 32 projects with an EMFF value of €5.3/£4.5million have been approved, leading to an oversubscription of 109% in Union Priority 6, where the EMFF budget is €4.9/£4.1million. This oversubscription has been affected by exchange fluctuation, as discussed throughout the report. 25 projects with EMFF expenditure of €3.2/£2.8million have been declared to the Managing Authority, representing 66% of the budget.

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 (29, 91% of Union Priority 6 projects, and 96% of EMFF funding). A high volume of the operations selected relate to Marine Protected Areas and Natura 2000 sites, with coverage of 465 thousand and 67 thousand kilometres squared respectively. 3 further investments are approved under improving knowledge on the state of the marine environment.

One output indicator is linked to Union Priority 6 of the EMFF scheme, which is broadly on track to be achieved.

Of the 32 operations selected, a majority of 15 (47%) are completed, 10 (31%) are under implementation and 7 (22%) have yet to declare expenditure.

In relation to the gender of beneficiaries, 1 (3%) is female. Gender codes are not applicable to the remaining 31 (97%) of projects where beneficiaries are organisations, as opposed to individuals.

Size of the operators requesting assistance were 1 (3%) micro enterprise. SME definitions are not applicable to the remaining 31 (97%) operators; in these cases, beneficiaries are public bodies, or other 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) reported only minor benefits in 2021. One completed project made a small contribution toward changing the coverage of Natura 2000 sites, bringing about an additional 2.7 kilometres squared.

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.

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.

Since the UK EMFF programme launched in 2016, 27 projects with an EMFF value of €9.6/£8.1million have been approved, representing 90% of the EMFF Technical Assistance budget of €10.7million. Expenditure of €5.2/£4.6million has been declared to the Managing Authority, representing 49% of the budget.

Approved projects under Technical Assistance mainly relate to the implementation of the operational programme, 11 projects are approved for these purposes. Technical Assistance is also being utilised for “other” purposes, such as meetings/engagement (7 projects) and IT systems (6 projects). Investments covering communication activities, control and audits and network of FLAG’s each have one operation approved.

Evaluation

Since the UK opened for applications, with “go live” dates spread throughout 2016, there have been two external evaluations of the EMFF. These evaluations were summarised in the 2020 Annual Implementation report and concerned socio-economic and environmental investigations.

The UK Managing Authority are committed to undertaking a third evaluation. In accordance with Article 56(3) of the Common Provisions Regulation 1303/2013, the UK are required to undertake an assessment as to how support from the EMFF has contributed to the objectives for each union priority. This evaluation will be commissioned in 2022.

Finally, UK Authorities have expressed interests in commissioning an external evaluation of UK Fisheries Local Action Groups (FLAGs), which is subject to ongoing consideration by the Managing Authority.