



Welsh Government – European Maritime and Fisheries Fund 2014-2020

Support for the Marine Environment and Inland Aquatic Flora and Fauna

Guidance Notes

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European Maritime and Fisheries Fund – Support for the Marine Environment and
Inland Aquatic Flora and Fauna Guidance Notes

INTRODUCTION

1. These Guidance Notes explain the European Maritime and Fisheries Fund (EMFF) – Support for the Marine Environment and Inland Aquatic Flora and Fauna - and the kind of projects and investments that may qualify for grant aid. Please read them carefully. If you then consider your project or investment plans may qualify for grant and you want to apply for support, please read the “How to Apply Section” of this Guidance Note and the accompanying ‘How to Apply’ Guidance.
2. Grant aid is available under the EMFF programme 2014-2020. The programme shall contribute to the achievement of the following objectives:
 - promoting competitive, environmentally sustainable, economically viable and socially responsible fisheries
 - fostering the implementation of the Common Fisheries Policy (CFP)
 - promoting a balanced and inclusive territorial development of fisheries areas
 - fostering the development and implementation of the Union’s Integrated Maritime Policy (IMP) in a manner complementary to cohesion policy and to the CFP.
3. The pursuit of the above objectives shall not result in an increase in fishing capacity of a vessel or increase the ability of a vessel to find fish.
4. This guidance should be used for projects and investments relating to:
 - support for the design, development and implementation of measures for the conservation and sustainable exploitation of marine biological resources under the provisions of the CFP; and regional cooperation on conservation measures under the provisions of the CFP
 - innovation linked to conservation of marine biological resources - developing or introducing new technical or organisational knowledge that:
 - reduces the impact of fishing activities on the environment or
 - aims to achieve a more sustainable use of marine biological resources and coexistence with protected predators
 - the protection and restoration of marine biodiversity and ecosystems, including:
 - the collection of waste by fishermen from the sea
 - the management or conservation of marine biological resources
 - maintaining and enhancing biodiversity and ecosystem services
 - the management and/or conservation of protected sites
 - protecting and developing inland aquatic fauna and flora; including the management and restoration of NATURA 2000 sites and the rehabilitation of inland waters.
5. EMFF is important to the fishing industry and coastal communities as it will help businesses adapt to the reformed CFP and support the long term sustainability of

the sector and economic growth of the area.

6. The focus for Wales is to develop a vibrant, competitive and sustainable fishing sector, facilitating CFP implementation, exploiting the potential of aquaculture and encouraging partnerships between fishermen and scientific institutions.
7. It is the responsibility of the applicant to ensure that proposed projects or investments are technically viable, comply with all relevant legislation, including health and safety legislation, and any other project specific safety requirements.
8. It is the responsibility of the applicant to ensure that any equipment purchased with EMFF funding meets all necessary legal requirements. If equipment purchased subsequently becomes obsolete or illegal then this is at the applicant's own risk; there can be no refunds or claims against the scheme.
9. Where applicable, applicants must also demonstrate that a viable market has been identified for their product(s) and that the project would not proceed without the grant.
10. The Programme is discretionary and the amount of grant offered would relate to individual circumstances and would always be the **minimum amount necessary** to allow the project to go ahead.
11. The owner of a fishing vessel that receives support shall not transfer that vessel outside of the European Union during at least the five years following the date of actual payment of that support to the beneficiary. If a vessel is transferred within that timeframe, sums unduly paid in respect of the project shall be recovered by the Welsh Government, in an amount proportionate to the period during which the condition has not been fulfilled.
12. This is only an outline to the Programme and the way it is operated, the detailed rules for eligibility criteria may be subject to change.

SPECIFIC MEASURES

13. This Guidance Note covers the following EMFF Measures, in support of the promotion of environmentally sustainable fisheries:
 - Measure I.14: Article 37 – Support for the design and implementation of conservation measures and regional cooperation
 - Measure I.16: Article 39 – Innovation linked to conservation of marine biological resources
 - Measure I.17: Article 40.1.a – Protection and restoration of marine biodiversity and ecosystems – collection of waste
 - Measure I.18: Article 40.1.b-g, i and Article 44.6 – Protection and restoration of marine biodiversity and ecosystems:
 - contribution to a better management or conservation [of marine biological resources]

- construction, installation or modernisation of static or movable facilities
- preparation of protection and management plans related to NATURA 2000 sites and spatial protected areas
- management, restoration and monitoring marine protected areas including NATURA 2000 sites
- environmental awareness
- participation in other actions aimed at maintaining and enhancing biodiversity and ecosystem services

STRATEGIC AND THEMATIC OBJECTIVES

14. The EMFF aims to support sustainable development in the fishing and aquaculture sectors and conservation of the marine environment, alongside supporting growth and jobs in coastal communities, through:

- Promoting sustainable, resource efficient, innovative, competitive and knowledge based fisheries:
Focus on innovation and added value, promoting environmentally sustainable, resource efficient, competitive fisheries which are more selective, produce less discards and do less damage to marine ecosystems
- Fostering sustainable, resource efficient, innovative, and competitive and knowledge based aquaculture:
For an aquaculture sector that is environmentally sustainable, resource efficient and competitive; to help such businesses to become economically viable and competitive
- Fostering the implementation of the Common Fisheries Policy (CFP):
To support the implementation of the CFP through the collection and management of data to improve scientific knowledge. This also supports the monitoring, control and enforcement of fisheries legislation
- Increasing employment and territorial cohesion:
To increase employment and promote economic growth and social inclusion in communities dependent on fishing through community-led local development (CLLD)
- Fostering marketing and processing:
To improve marketing and processing for fishery and aquaculture products
- Fostering the implementation of the Integrated Maritime Policy:
To support a more coherent approach to maritime issues.

15. The main priorities for the EMFF in Wales include:

- facilitating CFP implementation, including the landing obligation
- exploiting the potential of aquaculture
- improving the safety of the fishing industry
- encouraging partnerships between fishermen and scientific institutions
- community-led local development
- increasing added-value of Welsh fish

- encouraging the use of Information Technology within the industry.
16. All projects supported through the European Structural and Investment (ESI) Funds including EMFF must make a contribution towards the achievement of one or more strategic policy objectives or thematic objectives. These may include programme level horizontal principles (Cross Cutting Themes). Projects may contribute to several such objectives and progress in achieving those must be reported on when each grant claim is submitted.
17. Article 24 of Regulation (EU) No 508/2014 on the European Maritime and Fisheries Fund explains that Sustainable Development of Fisheries activity under EMFF shall contribute to the achievement of the specific objectives under the Union Priority set out in Article 6(1) of the same Regulation.
18. Article 6(1)(a) is relevant to Article 37, Article 39 and Article 40.1.a as it stipulates “Promoting environmentally sustainable, resource-efficient, innovative, competitive and knowledge-based fisheries by pursuing the following specific objective – the reduction of the impact of fisheries on the marine environment, including the avoidance and reduction, as far as possible, of unwanted catches.”
19. Article 6(1)(b) is relevant to Article 40.1.b-g, i and Article 44.6 as it stipulates “Promoting environmentally sustainable, resource-efficient, innovative, competitive and knowledge-based fisheries by pursuing the following specific objective – the protection and restoration of aquatic biodiversity and ecosystems.”
20. In addition projects must address one or more of the Cross Cutting Themes (CCTs) included in the Operational Programme where it is appropriate to do so within the context of the activities expected to be delivered and the expected outputs or results. The CCTs are:
- Promotion of equality between men and women and non-discrimination
 - Sustainable development.

WHO CAN APPLY

All Measures

21. The following are eligible to apply for EMFF support, **unless stated otherwise** in paragraphs 22-27:
- public law bodies
 - fishermen and / or owners of fishing vessels that are on the European Union (EU) fishing fleet register and which are administered by the Welsh Government from a port in Wales¹
 - producer organisations, inter-branch organisations or public or semi-public organisations

¹ Vessels owned and operated outside of Wales should apply to their own country.

- organisations of fishers
- non-governmental organisations
- associations
- micro, small and medium and large enterprises²
- public-private partnerships.

Measure I.14: Article 37 – Support for the design and implementation of conservation measures and regional cooperation

22. The provisions of paragraph 21 shall apply to Measure I.14: Article 37.

Measure I.16: Article 39 – Innovation linked to conservation of marine biological resources

23. In addition to the provisions of paragraph 21, projects shall be carried out by, or in collaboration with, a scientific or technical body recognised by the Member State, which shall validate the results of these projects.

Measure I.17: Article 40.1.a – Protection and restoration of marine biodiversity and ecosystems – collection of waste

24. In derogation from the provisions of paragraph 21, **only** the following are eligible to apply for support from Measure I.17: Article 40.1.a:

- scientific or technical public law bodies
- Advisory Councils
- fishermen and / or owners of fishing vessels that are on the European Union (EU) fishing fleet register and which are administered by the Welsh Government from a port in Wales³
- organisations of fishers which are recognised by the Member State
- non-governmental organisations in partnership with organisations of fishers
- non-governmental organisations in partnership with FLAGs.

Measure I.18: Article 40.1.b-g, i and Article 44.6 – Protection and restoration of marine biodiversity and ecosystems

25. Measure I.18 covers support under two Articles: Article 40.1.b-g, i and Article 44.6. The types of organisations and applicants who are eligible to apply under each of these Articles are set out below.

Measure I.18: Article 40.1.b-g, i:

² An enterprise is considered to be any entity engaged in an economic activity, irrespective of its legal form.

³ Vessels owned and operated outside of Wales should apply to their own country.

26. In derogation from the provisions of paragraph 21, **only** the following are eligible to apply for support from Measure I.18: Article 40.1.b-g, i:

- scientific or technical public law bodies
- Advisory Councils
- fishermen and / or owners of fishing vessels that are on the European Union (EU) fishing fleet register and which are administered by the Welsh Government from a port in Wales⁴
- organisations of fishers which are recognised by the Member State
- non-governmental organisations in partnership with organisations of fishers
- non-governmental organisations in partnership with FLAGS.

Measure I.18: Article 44.6:

27. The provisions of paragraph 21 shall apply to Measure I.18: Article 44.6.

All Measures

28. Applications will not be accepted from organisations, businesses or individuals who have been convicted of fraud under either the European Fisheries Fund (EFF) or the EMFF.

29. Applications will not be accepted from organisations, businesses or individuals who have been convicted of an offence that the Welsh Government or European Union (EU) consider to be a 'serious infringement' or fraud, in the 12 months before applying. Please see separate Guidance Notes on Serious Infringements and Fraud.

ELIGIBLE ACTIVITIES

All Measures

30. Please refer to the Introduction to this Guidance Note for key principles and eligibility requirements that apply to all Measures.

Measure I.14: Article 37 – Support for the design and implementation of conservation measures and regional cooperation

31. Activities will support adaptation to CFP reform, supporting the need for embedding regional approaches through cooperation to support multi-annual plans and Marine Protected Areas via network building and co-operatives.

32. Specifically, in order to ensure the efficient design and implementation of measures for the conservation and sustainable exploitation of marine biological resources under Articles 7, 8 and 11 of the CFP and regional cooperation on

⁴ Vessels owned and operated outside of Wales should apply to their own country.

conservation measures under Article 18 of the CFP, activities will support:

- the design, development and monitoring of technical and administrative means necessary for the development and implementation of measures for the conservation and sustainable exploitation of marine biological resources under Articles 7, 8 and 11 of the CFP and regional cooperation on conservation measures under Article 18 of the CFP
- stakeholder participation and cooperation between Member States in designing and implementing measures for the conservation and sustainable exploitation of marine biological resources under Articles 7, 8 and 11 of the CFP and regional cooperation on conservation measures under Article 18 of the CFP.

33. Annex A provides further details of measures for the conservation and sustainable exploitation of marine biological resources under Articles 7, 8 and 11 of the CFP and on regional cooperation on conservation measures under Article 18 of the CFP.

34. The EMFF may **only** support direct restocking only when it is provided for as a conservation measure in a Union legal act.

Measure I.16: Article 39 – Innovation linked to conservation of marine biological resources

35. Activities will contribute to the gradual elimination of discards and by-catches and facilitate the transition to exploitation of living marine biological resources in accordance with Article 2.2 of the CFP, as well as reducing the impact of fishing on the marine environment and the impact of protected predators.

36. Specifically, activities will support adaptation to CFP reform, supporting the need for innovative approaches to conservation measures via pilot projects to limit by-catch and impacts on the seabed.

37. Eligible activities are projects that:

- develop or introduce new technical or organisational knowledge aimed at:
 - reducing the impact of fishing activities on the environment, including improved fishing techniques and gear selectivity
 - achieving more sustainable use of marine biological resources and coexistence with protected predators.

38. Projects shall be carried out by, or in collaboration with, a scientific or technical body recognised by the Member State. That scientific or technical body shall validate the results of these projects.

39. The results of projects receiving support shall be adequately publicised by the Welsh Government, in accordance with Article 119 of Regulation (EU) 508/2014

on the European Maritime and Fisheries Fund.

40. Fishing vessels involved in projects financed under this Measure shall not exceed 5% of the number of vessels of the national fleet or 5% of the national fleet tonnage in gross tonnage, calculated at the time of submission of the application.
41. Projects which do not qualify as fishing for scientific purposes in accordance with Article 33 of Regulation (EC) No 1224/2009⁵ and which consist of testing new fishing gear or techniques shall be carried out within the limits of the fishing opportunities allocated to the Welsh Government.
42. The net revenue generated by the participation of the fishing vessel in a project shall be deducted from the eligible expenditure of the project. The term 'net revenue' means the income of fishermen from the first sale of the fish or shellfish caught during the introduction and testing of the new technical or organisational knowledge less the selling costs such as auction hall fees.

Measure I.17: Article 40.1.a – Protection and restoration of marine biodiversity and ecosystems – collection of waste

43. Activities will support the opportunity for restoration of the environment through projects that remediate waste and marine litter.
44. Specifically, support will be provided to projects that involve the collection by fishermen of waste from the sea, such as the removal of lost fishing gear and marine litter.
45. These activities are covered by the specific provisions of Commission Delegated Regulation (EU) 2015/531 Articles 1 to 2 and Article 7. Eligible activities as defined within this Delegated Regulation are:
 - the removal of lost fishing gear from the sea, in particular in order to combat ghost fishing
 - the purchase and, if applicable, the installation of small items of equipment on board for the collection and storage of litter
 - the creation of schemes of waste collection for participating fishermen including financial incentives
 - the purchase and, if applicable, the installation of small items of equipment based in fishing port facilities for the storage and recycling of litter
 - communication, information, awareness raising campaigns, to encourage fishermen and other stakeholders to participate in projects to remove lost fishing gear
 - training for fishermen and port agents.

⁵ <http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32009R1224>

Measure I.18: Article 40.1.b-g, i and Article 44.6 – Protection and restoration of marine biodiversity and ecosystems

46. Measure I.18 covers support under two Articles: Article 40.1.b-g, i and Article 44.6. Eligible activities under each of these Articles are set out below.

Measure I.18: Article 40.1.b-g, i:

47. Activities under Measure I.18: Article 40.1.b-g, i will support the achievement of Good Environmental Status (GES) under the Marine Strategy Framework Directive (MSFD) and encourage a collaborative approach to Marine Protected Areas (MPAs). Activities will support compliance with obligations under NATURA 2000 and will focus on management and implementation of protected sites introduced to support the aims of the Habitats Directive. Investment will support the development of a robust evidence base on conditions of sites and effects of pressures on habitats and species, which will lead to more effective and targeted approaches to management.

48. Eligible activities under Measure I.18: Article 40.1.b-g, i are:

- the construction, installation or modernisation of static or movable facilities intended to protect and enhance marine fauna and flora, including their scientific preparation and evaluation
- contributions to a better management or conservation of marine biological resources
- the preparation, including studies, drawing-up, monitoring and updating of protection and management plans for fishery-related activities relating to NATURA 2000 sites and spatial protected areas referred to in the MSFD and relating to other special habitats
- the management, restoration and monitoring of NATURA 2000 sites in accordance with the Habitats Directive and the Birds Directive, in accordance with prioritised action frameworks established pursuant to the Habitats Directive
- the management, restoration and monitoring of MPAs with a view to the implementation of the spatial protection measures referred to in Article 13.4 of the MSFD
- increasing environmental awareness, involving fishermen, with regard to the protection and restoration of marine biodiversity
- the participation in other actions aimed at maintaining and enhancing biodiversity and ecosystem services, such as the restoration of specific marine and coastal habitats in support of sustainable fish stocks, including their scientific preparation and evaluation.

49. These activities are covered by the specific provisions of Commission Delegated Regulation (EU) 2015/531 Articles 1 to 2 and 8 to 12 inclusive; eligible projects and investments are further defined in Annex B. **Only those activities listed in Annex B are eligible for support.**

Measure I.18: Article 44.6:

50. Activities under Measure I.18: Article 44.6 will protect and develop aquatic fauna and flora, supporting the need for improved habitats for freshwater fisheries. Projects will enhance the protection of freshwater and migratory fish, increasing stock levels and compliance with the Water Framework Directive, Habitats Directive and the Eels Regulation.

51. Eligible activities under Measure I.18: Article 44.6 are:

- the management, restoration and monitoring of NATURA 2000 sites which are affected by fishing activities, and the rehabilitation of inland waters in accordance with the Water Framework Directive, including spawning grounds and migration routes for migratory species, where relevant with the participation of inland fishermen (these activities shall be undertaken without prejudice to activities under Article 40.1.b-g, i relating to the management, restoration and monitoring of NATURA 2000 sites)
- the construction, modernisation or installation of static or movable facilities intended to protect and enhance aquatic fauna and flora, including their scientific preparation, monitoring and evaluation.

52. Any vessels receiving support under Measure I.18: Article 44.6 must continue to operate exclusively in inland waters.

INELIGIBLE ACTIVITIES

All Measures

53. There are a number of investments that are not eligible for EMFF support:

- investments to increase the fishing effort, the capacity of a vessel or increase the ability of a vessel to find fish
- investments to increase the capacity of fish holds
- investments to build fishing vessels or import them
- investments to stop fishing activities temporarily or permanently (unless otherwise provided for in the EMFF regulations)
- investments to carry out exploratory fishing
- investments to transfer ownership of a business
- investments to support direct restocking unless explicitly provided for as a conservation measure by a European Union legal act or in the case of experimental restocking
- the purchase or construction of inland fishing vessels
- the construction of Lobster Hatcheries
- the farming of genetically modified organisms
- items and services that are statutory or mandatory requirements of law and byelaws

- scheduled or preventive maintenance costs of any piece of equipment which keeps a device in working order
- activities related to recreational sea or freshwater angling
- pulse trawling
- projects which breach National or EU legislative requirements
- standard industry obligations such as statutory management requirements
- any discrete or standalone activities or items for which a beneficiary already has or intends to receive EU funding other than EMFF.

Measure I.14: Article 37 – Support for the design and implementation of conservation measures and regional cooperation

54. In addition to the provisions in paragraph 53 above, the funding of the following activities is ineligible:

- any activity which does not comply with the requirement that Measure I.14: Article 37 supports activities to further the provisions of Articles 7, 8, 11 and 18 of the CFP
- direct restocking, unless it is provided for as a conservation measure in a Union legal act.

Measure I.16: Article 39 – Innovation linked to conservation of marine biological resources

55. In addition to the provisions in paragraph 53 above, the funding of the following activities is ineligible:

- projects not carried out either by, or in collaboration with, a scientific or technical body recognised by the Member State
- projects where the fishing vessels involved exceed 5% of the number of vessels of the national fleet or 5% of the national fleet tonnage in gross tonnage, calculated at the time of submission of the application
- projects which are **not** carried out within the limits of the fishing opportunities allocated to the Welsh Government **and** which fulfil **both** criterion a) and criterion b) below:
 - a) projects which do not qualify as fishing for scientific purposes in accordance with Article 33 of Regulation (EC) No 1224/2009⁶ and
 - b) projects which consist of testing new fishing gear or techniques
- the funding of existing innovation projects; although the funding of a discrete new phase or activity which builds upon a previous or existing project is eligible.

Measure I.17: Article 40.1.a – Protection and restoration of marine biodiversity and ecosystems – collection of waste

56. In addition to the provisions in paragraph 53 above, the funding of the following

⁶ <http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32009R1224>

activities is ineligible:

- the specific provisions of Commission Delegated Regulation (EU) 2015/531 Articles 1 to 2 and Article 7 apply to this Measure; these provisions specify that any activity which is **not** listed in paragraph 45 above is **not** eligible for support.

Measure I.18: Article 40.1.b-g, i and Article 44.6 – Protection and restoration of marine biodiversity and ecosystems

57. Measure I.18 covers support under two Articles: Article 40.1.b-g, i and Article 44.6.

Measure I.18: Article 40.1.b-g, i:

58. In addition to the provisions in paragraph 53 above, the funding of the following activities is ineligible under Measure I.18: Article 40.1.b-g, i:

- the acquisition of a vessel to be submerged and used as an artificial reef
- costs relating to the construction and maintenance of fish aggregating devices
- the specific provisions of Commission Delegated Regulation (EU) 2015/531 Articles 1 to 2 and 8 to 12 inclusive apply to this Measure; under these provisions, any activity which is **not** listed in Annex B to this Guidance Note is **not** eligible for support.

Measure I.18: Article 44.6:

59. In addition to the provisions in paragraph 53 above, the funding of the following activity is ineligible under Measure I.18: Article 44.6:

- support for any vessels which do not continue to operate exclusively in inland waters.

ELIGIBLE COSTS

Measure I.14: Article 37 – Support for the design and implementation of conservation measures and regional cooperation

60. Support under Measure I.14: Article 37 can include:

- consultant's fees, other technical and professional fees
- where directly necessary for the delivery of the project, fees incurred for statutory permissions, licences and consents
- staff costs directly related to the delivery of the project and, where these can be demonstrated to provide value for money, other running costs of a project
- consumables (items which are normally written off within a year) which are necessary for and directly related to the delivery of the project

- costs necessary to encourage, develop and enable stakeholder participation and cooperation between Member States in designing and implementing eligible conservation measures and eligible regional cooperation, including:
 - animation – revenue costs for people (animateurs) who would broker and facilitate the involvement of stakeholders and the creation of partnerships and networks, including associated costs such as travel and subsistence (costs associated with animation would also concern the recruitment of stakeholders and networking between them)
 - facilitation and implementation – revenue costs for people, including associated costs such as travel and subsistence, who will facilitate and directly manage the cooperative design, development and monitoring of eligible conservation measures
 - communication and dissemination – revenue costs to support the communication of the proposed activities; dissemination of information amongst stakeholders communities; ongoing communication within and between stakeholders and Member States and the final dissemination of the findings and outcomes, including costs for events or seminars, associated costs such as travel and subsistence and venue and/or catering costs and costs related to the publication of results
- if directly necessary for and directly related to the achievement of the aims of the project – and where the findings of the evaluation are used to directly inform the ongoing design, development and monitoring of eligible conservation measures - support for the evaluation of eligible conservation measures
- if directly necessary for and directly related to the achievement of the aims of the project, direct revenue costs of carrying out any specific trials or pilot projects (which should be understood as referring to a "test project") in order to directly inform the ongoing design, development and monitoring of eligible conservation measures.

61. Subject to the provisions in paragraph 62, support may, where this can be demonstrated to be directly necessary for and directly related to the delivery of the project, also cover:

- the purchase and installation of small items of machinery and equipment which cost less than the agreed capitalisation threshold and which therefore do not constitute capital expenditure, up to the market value of the asset (see paragraph 62 below)
- intangible assets such as the acquisition or development of computer software and acquisitions of patents, licenses, copyrights, trademarks.

Capital expenditure is not eligible.

62. Capital expenditure is normally defined in accordance with a beneficiary's capitalisation threshold. This is usually defined as being any single item with a value of more than £5,000 (and/or a useful life of more than one year). However,

those beneficiaries with an organisational capitalisation threshold in excess of £5,000 may, subject to presenting an appropriately evidenced case, qualify for a capitalisation threshold in excess of £5,000 and up to their organisational capitalisation threshold. Beneficiaries who are in this position are advised to contact the Welsh Government to discuss the appropriate capitalisation threshold to be applied to their project.

63. Small items of second hand equipment which comply with the provisions of paragraphs 61 and 62 above are eligible (for SMEs only) where the applicant can demonstrate the following:

- it complies with current health and safety legislation
- is fit for purpose
- has at least five years life expectancy remaining.

64. The hire, leasing or chartering of vehicles is only eligible if the vehicle in question has a direct contribution to the project and is not used by the beneficiary for any other purpose.

Measure I.16: Article 39 – Innovation linked to conservation of marine biological resources

65. Support under Measure I.16: Article 39 can include:

- consultant's fees, other technical and professional fees; fees incurred for statutory permissions, licences and consents
- contractor costs for labour and use of equipment
- running costs of a project, including staff costs and rent for premises; hire of meeting rooms for regular project meetings; stationery costs; telephone and/or internet costs
- direct costs to carry out any specific physical trials necessary as part of the project. This can include the hire of specialist equipment/facilities and funding for non-standard operations
- consumables for undertaking trial or project activity
- reasonable analysis and sampling costs
- reasonable travel and subsistence to enable specialists to visit project sites. This can include overnight stays where needed and justified. These items need to be clearly costed and justified within the project plan supporting the application form
- promotional costs, where justified, incurred in publicising the outputs of the project.

66. Subject to the provisions in paragraph 67, support may, where this can be demonstrated to be directly necessary for and directly related to the delivery of the project, also cover:

- the purchase and installation of small items of machinery and equipment which cost less than the agreed capitalisation threshold and which therefore

do not constitute capital expenditure, up to the market value of the asset (see paragraph 67 below)

- intangible assets such as the acquisition or development of computer software and acquisitions of patents, licenses, copyrights, trademarks.

Capital expenditure is not eligible.

67. Capital expenditure is normally defined in accordance with a beneficiary's capitalisation threshold. This is usually defined as being any single item with a value of more than £5,000 (and/or a useful life of more than one year). However, those beneficiaries with an organisational capitalisation threshold in excess of £5,000 may, subject to presenting an appropriately evidenced case, qualify for a capitalisation threshold in excess of £5,000 and up to their organisational capitalisation threshold. Beneficiaries who are in this position are advised to contact the Welsh Government to discuss the appropriate capitalisation threshold to be applied to their project.

68. Small items of second hand equipment which comply with the provisions of paragraphs 66 and 67 above are eligible (for SMEs only) where the applicant can demonstrate the following:

- it complies with current health and safety legislation
- is fit for purpose
- has at least five years life expectancy remaining.

69. The hire, leasing or chartering of vehicles is only eligible if the vehicle in question has a direct contribution to the project and is not used by the beneficiary for any other purpose.

Measure I.17: Article 40.1.a – Protection and restoration of marine biodiversity and ecosystems – collection of waste

70. Support under Measure I.17: Article 40.1.a can include

- costs associated with the provision of training for fishermen and/or port agents; including trainers' fees, training materials and associated costs such as venue hire, catering and travel and subsistence
- costs associated with delivering activities or events to disseminate knowledge, share best practice and/or to encourage fishermen and other stakeholders to participate in projects to remove lost fishing gear
- costs associated with communication, information and awareness raising campaigns
- animation – revenue costs for people (animateurs) who would broker and facilitate the creation of eligible schemes of waste collection, including associated costs such as travel and subsistence (costs associated with animation would also concern the recruitment of stakeholders and networking between them)

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- facilitation and implementation – revenue costs for people, including associated costs such as travel and subsistence, who will directly manage and deliver eligible schemes of waste collection
- staff costs directly related to the delivery of the project and, where these can be demonstrated to provide value for money, other running costs of a project
- consumables (items which are normally written off within a year) which are necessary for and directly related to the delivery of the project
- direct costs to carry out any project activity related to waste or litter collection or the removal of lost fishing gear
- financial incentives for fishermen to participate in schemes of waste collection

71. Subject to the provisions in paragraph 73, support may, where this can be demonstrated to be directly necessary for and directly related to the delivery of the project, also cover:

- the purchase and installation of small items of machinery and equipment which cost less than the agreed capitalisation threshold and which therefore do not constitute capital expenditure, up to the market value of the asset (see paragraphs 73 and 74 below)
- intangible assets such as the acquisition or development of computer software and acquisitions of patents, licenses, copyrights, trademarks
- consultant's fees, other technical and professional fees; fees incurred for statutory permissions, licences and consents.

Capital expenditure is not eligible.

72. With regards to the purchase of small items of machinery and equipment, only those costs necessary for and directly related to the purchase and installation of items to be funded shall be eligible for support.

73. Capital expenditure is normally defined in accordance with a beneficiary's capitalisation threshold. This is usually defined as being any single item with a value of more than £5,000 (and/or a useful life of more than one year). However, those beneficiaries with an organisational capitalisation threshold in excess of £5,000 may, subject to presenting an appropriately evidenced case, qualify for a capitalisation threshold in excess of £5,000 and up to their organisational capitalisation threshold. Beneficiaries who are in this position are advised to contact the Welsh Government to discuss the appropriate capitalisation threshold to be applied to their project.

74. Small items of second hand equipment which comply with the provisions of paragraphs 71, 72 and 73 above are eligible (for SMEs only) where the applicant can demonstrate the following:

- it complies with current health and safety legislation
- is fit for purpose

- has at least five years life expectancy remaining.

75. The hire, leasing or chartering of vehicles is only eligible if the vehicle in question has a direct contribution to the project and is not used by the beneficiary for any other purpose.

Measure I.18: Article 40.1.b-g, i and Article 44.6 – Protection and restoration of marine biodiversity and ecosystems

76. Measure I.18 covers support under two Articles: Article 40.1.b-g, i and Article 44.6. Support under both Measure I.18: Article 40.1.b-g, i and Measure I.18: Article 44.6 can include:

- contractor costs for labour and use of equipment
- professional, technical and consultancy fees
- running costs of a project, including staff costs and rent for premises; hire of meeting rooms for regular project meetings; stationery costs; telephone and/or internet costs
- direct costs of specific prospecting, scientific studies or analysis, research or evaluations linked to a detailed plan
- if necessary as part of the project, pilot projects, which should be understood as referring to a "test project" and which can of course form part of a larger process of "development", may be an eligible cost
- direct costs to carry out any specific physical trials necessary as part of the project. This can include the hire of specialist equipment/facilities and funding for non-standard operations
- reasonable analysis and sampling costs
- direct costs necessary for the delivery of eligible conservation measures
- consumables (items which are normally written off within a year) for undertaking trial or project activity
- reasonable travel and subsistence to enable specialists to visit project sites. This can include overnight stays where needed and justified. These items need to be clearly costed and justified within the project plan supporting the application form
- direct costs of surveillance directly relating to the monitoring and protection of NATURA 2000 sites, spatial protected areas and other special habitats, including the salaries of personnel involved in surveillance
- costs directly associated with and necessary to facilitate cooperation and networking of managers of NATURA 2000 sites and Marine Protected Areas; and with consulting stakeholders during the preparation of management plans; and any other eligible activity where a networking / partnership approach can add value, including:
 - animation – revenue costs for people (animateurs) who would broker and facilitate the involvement of stakeholders and the creation of partnerships and networks, including associated costs such as travel and subsistence (costs associated with animation would also concern the recruitment of stakeholders and networking between them)

- facilitation and implementation – revenue costs for people, including associated costs such as travel and subsistence, who will facilitate and directly manage cooperation, networking and consultation
- communication and dissemination – revenue costs to support the communication of the proposed activities; dissemination of information and the final dissemination of the findings and outcomes, including costs for events or seminars, associated costs such as travel and subsistence and venue and/or catering costs and costs related to the publication of results
- costs associated with the provision of training; including trainers' fees, training materials and associated costs such as venue hire, catering and travel and subsistence
- costs associated with delivering activities or events to disseminate knowledge and share best practice
- promotional costs, including publicity and awareness raising
- financial incentives for the installation on board fishing vessels of automatic recording devices for monitoring and recording oceanographic data.

77. Support can also cover tangible assets such as land, buildings, static or moveable facilities, machinery and equipment and intangible assets such as computer software, patent rights and licences and technical and consultancy fees:

- the construction, acquisition, or improvement of immovable property and of static or moveable facilities; with land only being eligible, where directly necessary to the delivery of the project, to an extent not exceeding 10% of the total eligible costs of the investment project
- subject to the provisions of paragraph 80, the purchase and installation of machinery and equipment up to the market value of the asset
- general costs linked to expenditure referred to in the above two bullet points, such as architect, engineer and consultation fees, fees relating to advice on environmental and economic sustainability to an extent not exceeding 12% of the total eligible costs of the investment project
- acquisition or development of computer software and acquisitions of patents, licenses, copyrights, trademarks.

78. Consultant's and architect's fees, other technical design costs, site surveys and professional fees; prospecting, planning application fees and costs; fees incurred for statutory permissions, licences and consents are also eligible even if they have been completed and paid for prior to approval provided they are essential for the delivery of the project.

79. Costs related to the purchase and/or refurbishment and/or adaptation of any building or static or movable facilities must be appropriate to the scale, nature and intention of the project. Grant cannot be used for the purpose of the acquisition of capital assets that are not essential for the delivery of the proposed activity.

80. With regards to the purchase of items of machinery and equipment, only those costs necessary for and directly related to the purchase and installation of items to be funded shall be eligible for support.

81. Second hand equipment is eligible (for SMEs only) where the applicant can demonstrate the following:

- it complies with current health and safety legislation
- is fit for purpose
- has at least five years life expectancy remaining.

82. The hire, leasing or chartering of vehicles is only eligible if the vehicle in question has a direct contribution to the project and is not used by the beneficiary for any other purpose. The purchase of a vehicle which is directly necessary to deliver an eligible activity may only be considered as a potentially eligible cost if:

- the vehicle is not used by the beneficiary for any other purpose **and**
- the purchase of the vehicle represents the most cost effective means of delivering the activity.

INELIGIBLE COSTS

83. The following items are examples of other types of expenditure which are **not eligible** for EMFF grant aid. This is not a definitive list and all items of expenditure will be considered on a case by case basis. Please also refer to the Measure-specific list of ineligible costs below at paragraphs 86-88, which apply in addition to the following list:

- 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
- purchase of buildings which have previously been used for the same purpose
- any physical works on site carried out before the authorised start of work date or other expenditure incurred before the project start date without prior written approval from the grantor (**any such work carried out renders the whole award liable to cancellation**)
- temporary works not **directly** related to the execution of the project
- purchase of trading stock
- working capital
- reclaimable VAT
- preventative or scheduled maintenance costs for vessels and equipment and for existing buildings, plant or equipment, including vehicle maintenance costs
- operating costs

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- costs associated with the completion of EMFF application forms, including the payment of consultants to provide support in the completion of the application forms
- own labour and equipment costs
- like for like replacement of existing machinery and equipment
- recreational equipment (though televisions, projectors etc. for educational or business purposes may be eligible)
- landscaping, ornamental work, and provision of leisure amenities
- general office equipment and furniture except desks, chairs, telephone equipment, computer and other IT equipment, software and teleprinters, laboratory and lecture-room equipment essential for the delivery of the project
- attendance at trade fairs
- expenses of outside directors
- costs connected with a leasing contract such as the lessors margin, interest financing cost, overheads and insurance charges
- costs of arranging overdraft facilities, loans or other financial support instruments including any associated fees or other charges
- overheads allocated or apportioned at rates materially in excess of those used for any similar work carried out by the applicant
- notional expenditure
- payments for activity of a religious and/or political nature
- depreciation, amortisation and impairment of assets purchased with the help of a European grant
- contingent liabilities
- contingencies/provisions
- profit made by the applicant
- dividends
- interest charges (unless under an approved State Aid scheme)
- service charges arising on finance leases, hire purchase and credit arrangements
- costs resulting from the deferral of payments to creditors
- costs involved in winding up a company
- payments for unfair dismissal
- payments into private pension schemes
- payments for unfunded pensions
- compensation for loss of office
- compensation paid to third parties for expropriation, unharvested crops, etc.
- compensation for additional costs incurred and/or income foregone
- bad debts arising from loans to employees, proprietors, partners directors, guarantors, shareholders or a person connected with any of these

- payments for gifts and donations
- personal entertainments (including alcohol)
- costs associated with requirements arising from statutory enforcement action
- statutory fines and penalties
- statutory taxes (excluding irrecoverable VAT)
- criminal fines and damages
- legal expenses in respect of litigation.

84. Grant cannot be used for the purpose of the acquisition of capital assets that are not essential for the delivery of the proposed activity.

85. Costs related to the purchase of equipment (either new and / or second hand) are only eligible for grant aid if they comply with the specific eligibility requirements of the Measure and when the cost has been correctly defrayed by the claimant. Therefore the full costs of any equipment secured under a hire purchase or lease hire agreement or any other form of financial arrangement is not eligible for grant aid. In certain circumstances the capital element monthly payments may be eligible for a limited period but separate rules will apply.

**Measure I.14: Article 37 – Support for the design and implementation of conservation measures and regional cooperation and
Measure I.16: Article 39 – Innovation linked to conservation of marine biological resources**

86. In addition to the provisions in paragraphs 83-85 above, the following costs are specifically ineligible under Measure I.14: Article 37 and Measure I.16: Article 39:

- capital expenditure (capital expenditure is normally defined in accordance with a beneficiary's capitalisation threshold. This is usually defined as being any single item with a value of more than £5,000 (and/or a useful life of more than one year). However, those beneficiaries with an organisational capitalisation threshold in excess of £5,000 may, subject to presenting an appropriately evidenced case, qualify for a capitalisation threshold in excess of £5,000 and up to their organisational capitalisation threshold. Beneficiaries who are in this position are advised to contact the Welsh Government to discuss the appropriate capitalisation threshold to be applied to their project)
- the purchase of land
- the acquisition, construction, improvement, refurbishment and/or adaptation of immovable property
- the purchase of vehicles.

Measure I.17: Article 40.1.a – Protection and restoration of marine biodiversity and ecosystems – collection of waste

87. In addition to the provisions in paragraphs 83-85 above, the following costs are specifically ineligible under Measure I.17: Article 40.1a:

- capital expenditure (capital expenditure is normally defined in accordance with a beneficiary's capitalisation threshold. This is usually defined as being any single item with a value of more than £5,000 (and/or a useful life of more than one year). However, those beneficiaries with an organisational capitalisation threshold in excess of £5,000 may, subject to presenting an appropriately evidenced case, qualify for a capitalisation threshold in excess of £5,000 and up to their organisational capitalisation threshold. Beneficiaries who are in this position are advised to contact the Welsh Government to discuss the appropriate capitalisation threshold to be applied to their project)
- the purchase of land
- the acquisition, construction, improvement, refurbishment and/or adaptation of immoveable property
- the purchase of vehicles
- financial incentives not directly relating to incentivising fishermen to participate in schemes of waste collection.

Measure I.18: Article 40.1.b-g, i and Article 44.6 – Protection and restoration of marine biodiversity and ecosystems

88. Measure I.18 covers support under two Articles: Article 40.1.b-g, i and Article 44.6. In addition to the provisions in paragraphs 83-85 above, the following costs are specifically ineligible under both Measure I.18: Article 40.1.b-g, i and Measure I.18: Article 44.6:

- the purchase of immoveable property (including associated expenses) which is **not** directly necessary to the delivery of the project
- the purchase of land, including associated expenses, where the costs exceed 10% of your project's total expenditure
- the purchase of a vehicle which is to be used by the beneficiary for any purpose **other** than delivering eligible project activity and/or which does **not** represent the most cost effective means of delivering the eligible project activity
- financial incentives not directly relating to the installation on board fishing vessels of automatic recording devices for monitoring and recording oceanographic data.

MAXIMUM GRANT RATE AND MAXIMUM GRANT THRESHOLD

89. The grant amount is made up from the total public sector contribution to the investment project which includes; monies from the EU; co-finance to the EU funds from Welsh Government; monies from other government departments and agencies, non-departmental public bodies and local authorities; monies from governmental controlled bodies such as the Small Business Service and the National Lottery; and, monies from parafiscal taxes (levies).

90. If other EU or UK public funds are obtained to support the costs of a project they

will be discounted against the EMFF grant.

91. The minimum grant threshold per individual project is **£2,400**.

92. At this stage, no maximum grant threshold has been set. However, the Programme is discretionary and the amount of grant offered would relate to individual circumstances and would always be the **minimum amount necessary** to allow the project to go ahead.

Grant Rates

93. Grant rates are the maximum intensity of public aid for which a project can qualify. Therefore the beneficiary must secure the remainder of the funding from non-public funds. If other EU or UK public funds are obtained to support the costs of a project they will be discounted against the EMFF grant.

94. The maximum grant rate for a public law body is **100%**.

95. The maximum grant rates for beneficiaries who are not public law bodies are as follows:

- The maximum grant rate for small scale coastal fishermen or for a project which is related to the small scale coastal fisheries fleet is **80%**.⁷
- The maximum grant rate for Producer Organisations, an association of Producer Organisations or an inter-branch organisation is **75%**.
- The maximum grant rate for organisations of fishers or other collective beneficiaries is **60%**.
- The maximum grant rate for SME private organisations who are not small scale coastal fishermen (for a project which is not related to the small scale coastal fisheries fleet) is **50%**.
- The maximum grant rate for large enterprises (non-SME private organisations) who are not small scale coastal fishermen (for a project which is not related to the small scale coastal fisheries fleet) is **30%**.

96. Please refer to the Who Can Apply section of this Guidance Note to confirm your eligibility to apply.

Derogations:

97. Article 95 of EU Regulation No 508/2014 (the EMFF Regulation) specifies:

Member States may apply an intensity of public aid between 50% and 100% of the total eligible expenditure where:

⁷ 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.

(a) the operation (project) is implemented under Chapter I, II or IV of Title V and fulfils all of the following criteria:

- (i) it is of collective interest
- (ii) it has a collective beneficiary
- (iii) it has innovative features, where appropriate, at local level.

98. The Welsh Government will appraise all applications for a higher level of public aid on a case-by-case basis. The final decision on the level of public aid for which a project may qualify is at the discretion of the Welsh Government.

Collective Interest and Collective Beneficiary:

99. A 'collective beneficiary' is an organisation recognised as representing the interest of its members, of a group of stakeholders, or of the public at large. The beneficiary of the project should be the collective organisation itself and not its members.

100. 'Collective interest' is defined as actions undertaken by this organisation which are in the collective interest of its members, of a group of stakeholders or of the general public. Such actions should thus encompass more than the sum of the individual interests of the members of this collective beneficiary.

101. If a project has no direct financial benefit to either the applicant delivering the project or the beneficiary of the project and has both collective interest and a collective beneficiary (or beneficiaries) then it can be considered Collective.

102. If a project has a direct financial benefit to either the applicant delivering the project or the beneficiary of the project then it is considered Non-Collective.

103. In addition, to be eligible for the higher rate of public aid, a project must have innovative features.

104. Innovation can be defined in a number of different ways. For example:

- a **product innovation** is the introduction of a good or service that is new or significantly improved with respect to its characteristics or intended uses. This includes significant improvements in technical specifications, components and materials, incorporated software, user friendliness or other functional characteristics
- a **process innovation** is the implementation of a new or significantly improved production or delivery method. This includes significant changes in techniques, equipment and / or software

- a **marketing innovation** is the implementation of a new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing
- an **organisational innovation** is the implementation of a new organisational method in the organisation or firm's business practices, workplace organisation or external relations.

Source: Oslo Manual: Guidelines for Collecting and Interpreting Innovation Data; Third edition (a joint publication of OECD and Eurostat):

<http://ec.europa.eu/eurostat/documents/3859598/5889925/OSLO-EN.PDF>

105. **This list is not prescriptive or exhaustive. It is the responsibility of the applicant to make a robust and convincing case to demonstrate that your proposed project incorporates genuinely innovative features.**

106. Innovative features can be activities that are innovative to the sector or industry but can also be innovative to a business or organisation, but must be present. If the project is being delivered at a local level, the innovative features must be present at that local level.

107. The applicant is also expected to demonstrate that:

- the innovative features are relevant to the aims and eligible activities within the specified Measure and
- the innovative features are relevant to achieving the aims of the project.

108. Where the proposed innovation relates to an organisation or business, the applicant may also be expected to demonstrate that this activity also represents a degree of innovation within the relevant sector or industry.

109. The value for money represented by the project as a whole, including any proposed innovative features, will be considered as part of the wider appraisal of the project by the Welsh Government.

110. **The Welsh Government will appraise all applications for a higher level of public aid on a case-by-case basis. The final decision on the level of public aid for which a project may qualify is at the discretion of the Welsh Government.**

STATE AID

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

112. Articles 107, 108 and 109 TFEU do not apply to grants provided under this scheme which are made pursuant to Regulation (EU) No 508/2014 of the European Parliament and of the Council on the European Maritime and Fisheries Fund, within the scope of Article 42 TFEU. However, projects must 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.

113. If you feel that your project does not meet these criteria then you should contact the Welsh Government to discuss your project before making an application for funding.

SELECTING SUCCESSFUL PROJECTS

114. To be selected, a project is expected, as appropriate, to demonstrate:

Fit with the EMFF Operational Programme:

Specifically, a project is expected to demonstrate:

Strategic Fit:

How the proposed project will support the aims of the Union Priority, Specific Objective and Measure by outlining:

All Measures:

- how the proposed project will contribute to promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge-based fisheries.

Specific Objective 1: Reduction of the impact of fisheries on the marine environment, including the avoidance and reduction, as far as possible, of unwanted catches

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- how the proposed project will contribute towards Specific Objective 1 of the reduction of the impact of fisheries on the marine environment, including the avoidance and reduction, as far as possible, of unwanted catches
- how the proposed project will contribute towards the achievement of the aims and the eligible activities outlined within the Eligible Activities section of this Guidance Note.

Specific Objective 2: Protection and restoration of aquatic biodiversity and ecosystems

Measure I.18: Article 40.1.b-g, i and Article 44.6 – Protection and restoration of marine biodiversity and ecosystems

- how the proposed project will contribute towards Specific Objective 2 of the protection and restoration of aquatic biodiversity and ecosystems
- how the proposed project will contribute towards the achievement of the aims and the eligible activities outlined within the Eligible Activities section of this Guidance Note.

Indicators & Outcomes:

- how the project will contribute to the EMFF Result Indicators relevant to the selected Measure as set out in the Result Indicators section of this Guidance Note.

Suitability of Intervention:

- explaining the wider benefits or outcomes which you believe that the project may deliver, in addition to the primary outcomes by which it contributes to the aims of the Union Priority, Specific Objective and Measure (as outlined in the Strategic Fit section above)
- explaining whether your project will contribute to the wider aims and objectives of the EMFF Programme, as set out in the Strategic and Thematic Objectives section of this Guidance Note.

Deliverability:

A project is expected to demonstrate:

Need for funding:

- that the project cannot proceed now without support
- that the costs are not excessive for the nature of the activity involved
- that there is a market failure or funding gap, where applicable.

Please see the 'How to Apply' Guidance Notes for further details.

Ability to deliver:

- viability of the business
- legal compliance
- financial viability of project and sustainability, including exit strategy
- relevant support and commitment of key stakeholders
- project management, monitoring and evaluation arrangements.

Please see the 'How to Apply' Guidance Notes for further details.

115. The greater the importance and contribution that the project or investment can make to the appropriate strategic and thematic objectives the more likely it is to be recommended for selection.

KEY REQUIREMENTS

116. That the project would not proceed in its current form at the current time without grant assistance.

117. That the amount of grant being asked for is the minimum gap funding necessary for the project to go ahead.

118. Applications must also demonstrate that the following have been addressed:

- outline planning permission has been obtained, where required
- all other consents, licences and permissions have been granted, where required
- for existing businesses the economic viability of the project and the business, through the provision of accounts for three consecutive years immediately preceding the date of the application and financial forecasts for the period of the project
- new businesses will be required to supply full details about the background and experiences of the directors along with other evidence necessary to validate the business plan and project proposals
- compliance with UK and EU Law on equal opportunities and projects should promote and encourage equal opportunities and combat social exclusion
- compliance with minimum standards and legislative requirements regarding the environment, hygiene, animal welfare and health and safety standards
- availability of the necessary technical skills and competences within the business.

INDICATORS AND REPORTING

Indicators:

119. The EMFF Operational Programme sets the output and result indicators against which projects will be expected to report.

Output Indicators:

120. The Output Indicator records the number of projects to which a grant has been awarded. They are:

Measure I.14: Article 37 – Support for the design and implementation of conservation measures and regional cooperation and

Measure I.16: Article 39 – Innovation linked to conservation of marine biological resources

- Number of projects on conservation measures, reduction of the fishing impact on the marine environment and fishing adaptation to the protection of species

Measure I.17: Article 40.1.a – Protection and restoration of marine biodiversity and ecosystems – collection of waste and

Measure I.18: Article 40.1.b-g, i and Article 44.6 – Protection and restoration of marine biodiversity and ecosystems

- Number of projects on protection and restoration of marine biodiversity, ecosystems

Result Indicators:

121. The Result Indicators are designed to capture the benefits or effects which result from each project supported. The EMFF Operational Programme identifies a range of Result Indicators, which may be applicable to projects under each Measure covered by this Guidance Note.

122. Please refer to the 'Evidencing Results Indicators' section below for further information on the information to be provided to measure achievement against each selected Result Indicator.

123. Further guidance is awaited from the European Commission on the exact Result Indicators which will be applied to each Measure and the specific definitions and evidencing requirements for these indicators. Please note that this may result in amendments to the specific Results Indicators against which projects are expected to report achievement. The Welsh Government will issue further guidance once this information becomes available.

Measure I.14: Article 37 – Support for the design and implementation of conservation measures and regional cooperation

- Change in unwanted catches (%)
- Change in fuel efficiency of fish capture (in litres of fuel / tonnes landed catch)

Measure I.16: Article 39 – Innovation linked to conservation of marine biological resources

- Change in unwanted catches (%)
- Change in fuel efficiency of fish capture (in litres of fuel / tonnes landed catch)

Measure I.17: Article 40.1.a – Protection and restoration of marine biodiversity and ecosystems – collection of waste

- Change in unwanted catches (%)
- Change in fuel efficiency of fish capture (in litres of fuel / tonnes landed catch)

Measure I.18: Article 40.1.b-g, i and Article 44.6 – Protection and restoration of marine biodiversity and ecosystems

- Change in the coverage of Marine Protected Areas (MPAs):
 - (a) Change in the coverage of NATURA 2000 areas designated under the Birds and Habitats Directives
 - (b) Change in the coverage of other spatial protection measures under Article 13.4 of the Directive 2008/56/EC⁸

Evidencing Results Indicators

124. The following information is based on the current draft guidance from the European Commission on the information to be provided by beneficiaries in order to measure and evidence achievement against their selected Result Indicators. This information may be subject to change when updated guidance is issued by the European Commission. The Welsh Government will issue further guidance once this information becomes available.

125. Change in unwanted catches (%)

- Total catches of species subject to the landing obligation before the project
- Total catches of species subject to the landing obligation after the project

126. Change in fuel efficiency of fish capture (in litres of fuel / tonnes landed catch)

⁸ The Marine Strategy Framework Directive

- Annual fuel consumption before and after the project
- Annual volume in live weight of landings before and after the project

127. Change in the coverage of Marine Protected Areas (MPAs):

- (a) Change in the coverage of NATURA 2000 areas designated under the Birds and Habitats Directives
- (b) Change in the coverage of other spatial protection measures under Article 13.4 of the Directive 2008/56/EC⁹
 - Spatial extent of the Marine Protected Areas concerned

Implementation Data:

128. In line with the requirements of Commission Implementing Regulation 1243/2014, projects will also be required to report the following information:

Measure I.14: Article 37 – Support for the design and implementation of conservation measures and regional cooperation:

129. Type of activity:

- design
- development and monitoring
- stakeholder participation
- direct restocking.

130. Number of stocks concerned (if relevant).

131. Total area concerned by project (in km²) (if relevant).

Measure I.16: Article 39 – Innovation linked to conservation of marine biological resources:

132. Indication of whether the project relates to:

- sea fishing
- inland fishing
- both.

133. Type of project:

- developing new technical or organisational knowledge reducing impacts
- introducing new technical or organisational knowledge reducing impacts
- developing new technical or organisational knowledge achieving sustainable use

⁹ The Marine Strategy Framework Directive

- introducing new technical or organisational knowledge achieving sustainable use.

134. Number of fishermen benefiting from the project.

135. If the project relates to the sea, Community Fleet Register number (CFR) of each vessel concerned with the project.

Measure I.17: Article 40.1.a – Protection and restoration of marine biodiversity and ecosystems – collection of waste:

136. Number of fishermen benefiting from the project.

137. Community Fleet Register number (CFR) of each vessel concerned with the project.

Measure I.18: Article 40.1.b-g, i and Article 44.6 – Protection and restoration of marine biodiversity and ecosystems

138. Indication of whether the project relates to:

- sea fishing
- inland fishing
- both.

139. Type of project:

- investment in facilities
- management of resources
- management plans for NATURA 2000 and Special Protection Areas (SPA)
- management of NATURA 2000
- management of Marine Protected Areas (MPAs)
- increasing awareness
- other actions enhancing biodiversity.

140. Total area concerned by NATURA 2000 (in km²) (if relevant).

141. Total area concerned by Marine Protected Area (MPA) (in km²) if relevant.

142. Number of fishermen concerned.

143. If the project relates to the sea, Community Fleet Register number (CFR) of each vessel concerned with the project.

All Measures

144. This information should be provided at two points during the project lifetime:

- anticipated targets / achievement is to be provided as part of the application
- actual achievement is to be reported at the completion of the project.

CROSS CUTTING THEMES

145. The Regulations governing the European Programmes stipulate that all projects funded through the Common Strategic Framework must integrate the CCTs of Promotion of equality between men and women and non-discrimination and Sustainable development. These mandatory CCTs need to be integrated into the design and development of the European Structural and Investment Funds (ESIF) and the activity supported through the funds. This includes the EMFF.

146. The CCTs are intended to add value, raise awareness and understanding while ensuring maximum participation and mitigating adverse impacts. This should help projects move beyond compliance and develop systems which support best practice.

147. Further guidance is available at:

<http://gov.wales/funding/eu-funds/2014-2020/applying/cross-cutting-guidance/?lang=en>

HOW TO APPLY

148. Applications for support can be made by completing the application form and submitting it via WEFO Online (please see separate guidance).

149. Once you have submitted your full application, the Welsh Government will send you an acknowledgement and notification that you may proceed at risk on your project. You will receive this notification within 15 working days of submitting your full application.

150. **You must not start work on your project until you have received this notification.**

151. Subject to the requirements of the Welsh Government's Code of Practice on Public Access to Information, the Freedom of Information Act 2000 and the Environmental Information Regulations 2004: **all information given to the Welsh Government will be treated in strict confidence. You should be aware that if successful, the Welsh Government, the UK Government and the EC reserve the right to publish the name of your company, the amount of grant you were awarded and a summary of your project.**

152. You may use a consultant to prepare your application if you wish **but the application form must be signed by you and not by the consultant. It is your responsibility to ensure that the application is correctly completed and that the information provided in support of your project is accurate.**

153. When you submit your application form, the Welsh Government will acknowledge its receipt. If your project is ineligible, you will be told this as soon as possible. If your application is eligible, it will be subject to a technical and financial appraisal. When the appraisal is complete, support for your application will then be evaluated against the extent to which it meets national and regional objectives and priorities, as described above.

154. There are three possible outcomes:

- (a) Your project is not eligible for the grant. You will be told as soon as possible.
- (b) Your project is eligible for consideration but is not approved for an award. You will be informed of the reasons why your application was not successful. You may apply again with the same project (amending the application if you wish) **but only if you have not started work.**
- (c) Your project is eligible and is approved for an award. An approval letter will be issued to you setting out the terms and conditions of the award which you will be asked to sign as agreement that you accept the terms and conditions therein. The letter will also provide you with the authority to start work.

CONDITIONS OF GRANT

155. The EMFF Fund is subject to a range of relevant legislation. Both the Welsh Government and the applicant and the end recipient of support must act in accordance with that legislation.

156. The offer of an EMFF Fund grant is made subject to terms and conditions, including but not limited to those set out below. **Failure to meet the terms and conditions of the award could result in the cancellation of your award and/or the recovery of sums already paid, or a reduction of the amount of grant payable.**

Conditions:

1. Acceptance of the grant awarded must be made within fourteen (14) working days of the date on the approval letter.
2. The award is made on the basis of statements made by you or your representatives in the application form and subsequent correspondence.

The making of false or misleading statements is an offence.

3. You must not begin any work on the project without first obtaining written authority to do so from Welsh Government.
4. You must meet any legal obligations imposed under EU and UK law, including hygiene legislation.
5. No alterations may be made to the project, including the location of the activity, without the written approval of Welsh Government.
6. No equipment and / or buildings purchased with grant aid must be disposed of, transferred or sold without the prior written consent of Welsh Government during the project delivery and for five years from the project end date. This includes indirect changes e.g. where a premises or vessel changes ownership or where the location of any funded items changes.
7. 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 date the original offer of funding was accepted.
8. 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.
9. You must not transfer a fishing vessel outside the EU for at least 5 years after the payment of EMFF funding to the applicant; 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.
10. The applicant is required to comply with the rules on eligible expenditure as detailed in the relevant Measure Guidance Note.
11. Claims must be submitted in the correct format and accompanied by all necessary documentation. If not, they will not be accepted and will be returned to the claimant.
12. Claims must be submitted in accordance with the agreed timetable. You cannot change the agreed timing and value of your claims without written agreement from Welsh Government.
13. Projects should be completed within the timetable agreed with Welsh Government. You cannot change this without written agreement from Welsh Government.
14. You must confirm that none of the items covered by the application are replacements under an insurance claim.

15. You must provide confirmation that no other public funding (whether from EU or UK sources) has been sought.
16. Any publicity given to the project must make reference to the part played by both the European Union and Welsh Government in funding it.
17. Records concerning the activity of the business and the delivery of the project, including all original invoices and other related documents such as competitive tenders or quotes, must be retained until the end of six years after the last payment of financial assistance made to you in relation to the project.
18. You must allow persons authorised by the Welsh Government, including the Auditor General for Wales, the Audit Commission and the European Court of Auditors to inspect the project. On request, you must provide them with information and / or access to original documentation in relation to the project.
19. The information provided in the application and any supporting documentation is subject to the requirements of the Welsh Government's Code of Practice on Public Access to Information, the Freedom of Information Act 2000 and the Environmental Information Regulations 2004.

You should be aware that if successful, Welsh Government and the EU reserve the right to publish the name of your business or company, the amount of grant you were awarded and a summary of your project.

20. The information provided in the application and any supporting documentation is subject to the Privacy Notice available at <https://gov.wales/topics/environmentcountryside/marineandfisheries/european-maritime-fisheries-fund/?skip=1&lang=en>. The Privacy Notice explains the Welsh Government's processing and use of your personal data and your rights under the General Data Protection Regulation (GDPR).

PAYMENT OF GRANT

Claims

157. You may make interim claims during the period of your project. Guidance notes on how to claim will be issued when the award is confirmed and subsequently the claim is invited. Claims will only be paid when the Welsh Government is satisfied the relevant expenditure has taken place and that the work has been completed according to plan. Payment will be made by electronic transfer to your bank account.
158. Final claims for payment of grant should be submitted as soon as possible after the work on the project has been completed. All final claims must be received no later than 30 June 2023 in order for Welsh Government to be able to meet the payment. Failure to submit claims may result in the grant paid to date being recovered.

159. During the lifetime of the grant, when claims are submitted, they may be scrutinised to ensure expenditure is eligible and in line with that approved in the original application. During the project, the project sponsor may be visited and a detailed assessment of the project undertaken, this may include a review of all original supporting documentation. For capital investments, on completion of the physical works, the project may be visited and a detailed assessment of the project undertaken. The information that will be required at the visit could include but not be limited to; original invoices; serial/plant numbers; Building Regulations completion certificate (where appropriate); Health & Safety system including risk analysis; Fire Risk Assessment documents in accordance with the Regulatory Reform (Fire Safety) Order 2005; Cleaning Regime records; Pest control records and Quality Control records. The release of grant will be conditional upon adequate progress having been made.

Incorrect claims

160. You have a responsibility to make sure that each claim submitted is arithmetically correct; that it is only for defrayed expenditure (the money has gone from bank account); that all the items and costs are eligible and that the claim is on time.

161. If the claim is incorrect then your claim will be reduced to the amount that is eligible and the grant to be paid will be calculated accordingly.

162. If you have any doubts about the eligibility of any expenditure you must check before you incur the costs.

Offences

163. The European Maritime and Fisheries Fund (Grants) (Wales) Regulations 2016 No. 665 (W. 182) establishes criminal offences and penalties in relation to certain aspects of European Maritime and Fisheries Funding. Examples of offences include; knowingly or recklessly providing false or misleading information in relation to European Maritime and Fisheries Funding; obstructing an inspector or official; and refusing to provide information when requested to do so.

MONITORING OF PROJECTS

164. It is a European Commission requirement that the progress of your project is monitored and its success evaluated following completion. You will be asked to provide regular updates on its progress and three months following completion, a final report on its performance, when the project will be evaluated against the objectives and targets set out in the approved application. If the project should fail to meet these targets and, on the basis of progress actually made, would not have qualified for grant aid under the scheme, action may be taken to recover the grant paid.

165. It will be a requirement of the grant award that equipment purchased with the aid of a EMFF grant and any buildings on which grant is paid, must be kept in situ, operational and in good repair, and used for the same purpose as set out in the original application, for five years from the project end date. This is to ensure the longevity of the project.
166. For capital investments, a further monitoring form may be required to be completed two years following completion and again five years following completion. Site visits will be made on a percentage of the capital investment projects approved within five years of the project end date to ensure the applicant still has and is still using the buildings and / or equipment purchased with the grant for the same purposes and that the business is performing as expected.
167. You must allow officials from Welsh Government and the European Commission, or their representatives, to inspect the project at any reasonable time within this five year period.

END OF EMFF PROGRAMME

168. All claims must be submitted to the Welsh Government by no later than 30 June 2023. All project activity must be completed in time for accounts and records to be audited and claims to be prepared and submitted by this date.

APPEALS PROCEDURE

169. If an application is rejected, the reasons for rejection will be explained. We will be prepared to discuss any modifications which might be needed to make the project acceptable.
170. If an application is still rejected an appeals procedure will be established which will take the form of an oral or written submission to persons appointed by and independent of the Welsh Ministers.

COMPLAINTS PROCEDURE

171. If you consider that we have failed to follow the correct procedure in the handling of your request you may wish to make a complaint in accordance with Welsh Government's Complaints procedure which is available by post or via the website at:

https://gov.wales/contact_us/makeacomplaint/?lang=en

Annex A

Measures for the conservation and sustainable exploitation of marine biological resources under Articles 7, 8 and 11 of the Common Fisheries Policy (CFP) and regional cooperation on conservation measures under Article 18 of the CFP

Measure I.14: Article 37 provides support for:

- the design, development and monitoring of technical and administrative means necessary for the development and implementation of measures for the conservation and sustainable exploitation of marine biological resources under **Articles 7, 8 and 11** of the CFP and regional cooperation on conservation measures under **Article 18** of the CFP
- stakeholder participation and cooperation between Member States in designing and implementing measures for the conservation and sustainable exploitation of marine biological resources under **Articles 7, 8 and 11** of the CFP and regional cooperation on conservation measures under **Article 18** of the CFP.

Measures for the conservation and sustainable exploitation of marine biological resources under Articles 7, 8 and 11 of the Common Fisheries Policy (CFP)

Measures for the conservation and sustainable exploitation of marine biological resources under **Article 7** of the CFP cover:

- multiannual plans (as detailed in Articles 9 and 10 of the CFP)
- targets for the conservation and sustainable exploitation of stocks and related measures to minimise the impact of fishing on the marine environment
- measures to adapt the fishing capacity of fishing vessels to available fishing opportunities
- incentives to promote fishing methods that contribute to more selective fishing, the avoidance and reduction of unwanted catches, and fishing with low impact on the marine ecosystem and fishery resources
- measures on the fixing and allocation of fishing opportunities
- measures to achieve the objectives of the landing obligation
- minimum conservation reference sizes
- pilot projects on alternative types of fishing management techniques and on gears that increase selectivity or that minimise the negative impact of fishing activities on the marine environment
- measures necessary for compliance with obligations under Union environmental legislation (the Marine Strategy Framework Directive; The Birds Directive; The Habitats Directive) – as set out in Article 11 of the CFP
- technical measures, including:
 - characteristics of fishing gears and rules concerning their use
 - specifications on the construction of fishing gear
 - limitations or prohibitions on the use of certain fishing gears, and on fishing activities, in certain areas or periods

- requirements for fishing vessels to cease operating in a defined area for a defined minimum period in order to protect temporary aggregations of endangered species, spawning fish, fish below minimum conservation reference size, and other vulnerable marine resources
- specific measure to minimise the negative impact of fishing activities on marine biodiversity and marine ecosystems.

Measures for the conservation and sustainable exploitation of marine biological resources under **Article 8** of the CFP relate to the establishment of fish stock recovery areas; areas where fishing activities may be restricted or prohibited in order to contribute to the conservation of living aquatic resources and marine ecosystems.

Measures for the conservation and sustainable exploitation of marine biological resources under **Article 11** cover measures necessary for compliance with obligations under Union environmental legislation (the Marine Strategy Framework Directive; The Birds Directive; The Habitats Directive)

Measures for regional cooperation on conservation measures under Article 18 of the CFP

Article 18 of the CFP stipulates that, where the Commission has powers to adopt measures by means of delegated or implementing acts in respect of a Union conservation measure applying to a relevant geographical area, Member States having a direct management interest affected by these measure may cooperate (regional cooperation) to formulate and submit joint recommendations for achieving the objectives of these measures.

For full details of eligible activities, please refer to the Common Fisheries Policy.¹⁰

¹⁰ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:354:0022:0061:EN:PDF>

Annex B

Eligible Investments and Items of Equipment under Measure I.18: Article 40.1.b-g, i

In line with the provisions of Commission Delegated Regulation (EU) 2015/531, only the following projects and investments are eligible under Measure I.18: Article 40.1.b-g, i.

With regards to the purchase of items of machinery and equipment, only those costs necessary for and directly related to the purchase and installation of items to be funded shall be eligible for support.

Scheduled or preventative maintenance costs of any part of equipment which keep a device in working order shall not be eligible for support.

Project / Investment type	Eligible Investments and Items of equipment
For projects relating to the construction, installation or modernisation of static or movable facilities intended to protect and enhance marine fauna and flora, including their scientific preparation and evaluation	The purchase and, if applicable, the installation of facilities to protect marine areas from trawling.
	The purchase and, if applicable, the installation of facilities to restore degraded marine ecosystems.
	Costs relating to preliminary work such as prospecting, scientific studies or evaluations.
For projects that are aimed at contributions to a better management or conservation of marine biological resources	The purchase and/or, if applicable, the installation of circular hooks.
	The purchase and/or, if applicable, the installation of acoustic deterrent devices on nets.
	The purchase and/or, if applicable, the installation of turtle excluder devices ('TEDs').
	The purchase and/or, if applicable, the installation of streamer lines.
	The purchase and/or, if applicable, the installation of other tools or devices proven efficient in preventing accidental catches of protected species.
	For the replacement of existing fishing gear with low impact fishing gear, costs related to fish pots and traps, jigging and hand-lining.

	Training for fishermen on better management or conservation of marine biological resources.
	Projects focussing on coastal habitats of importance for fish, birds and other organisms.
	Projects focusing on areas of importance for fish reproduction, such as coastal wetlands.
For projects consisting of the preparation, including studies, drawing-up, monitoring and updating of protection and management plans for fishery-related activities relating to NATURA 2000 sites and spatial protected areas referred to in the Marine Strategy Framework Directive and relating to other special habitats	Carrying out studies, in particular for the monitoring and surveillance of species and habitats including mapping, and risk management.
	Mapping fishing activity and intensity and interactions with protected species and habitats.
	Consulting stakeholders during the preparation of management plans.
	Developing and applying indicators for pressures and for impacts and performing conservation status assessments.
	Training for fishermen and other persons working for or on behalf of the bodies responsible for the management of Marine Protected Areas ('MPAs') relevant for the preparation of protection and management plans for fishery-related activities.
	Demarcation of MPAs.
	Surveillance including salaries of personnel involved in surveillance activities.
	Carrying out publicity and awareness raising measures in relation to MPAs.
	Assessing the impacts of the management plans on NATURA 2000 areas and on the fisheries areas affected by the management plans.
For projects relating to: <ul style="list-style-type: none"> the management, restoration and 	Consultation of stakeholders during the preparation of management plans.
	Development and application of indicators for

<p>monitoring of Natura 2000 sites in accordance with prioritised action frameworks</p> <ul style="list-style-type: none"> the management, restoration and monitoring of Marine Protected Areas (MPAs) with a view to the implementation of spatial protection measures the increasing of environmental awareness, involving fishermen, with regard to the protection and restoration of marine biodiversity 	pressures/impacts and conservation status assessments.
	Surveillance of NATURA 2000 sites and MPAs.
	Training for persons working for or on behalf of the bodies responsible for the management of NATURA 2000 sites and MPAs.
	Training of fishermen on conservation and restoration of marine ecosystems and related alternative activities such as eco-tourism in NATURA 2000 sites and MPAs.
	Mapping fishing activity and monitoring its intensity and recording fishery interactions with protected species such as seals, sea turtles, dolphins, seabirds.
	Supporting the development of fisheries management measures in NATURA 2000 sites and MPAs, such as IA studies and risk assessment, including actions fostering the improvement of their coherence.
	Support to measures increasing environmental awareness, involving fishermen, with regard to the protection and restoration of marine biodiversity.
Cooperation and networking of managers of NATURA 2000 sites and MPAs.	
For projects relating to the participation in other actions aimed at maintaining and enhancing biodiversity and ecosystem services	<p>Costs relating to schemes to test novel monitoring techniques, and in particular:</p> <ul style="list-style-type: none"> remote electronic monitoring systems, such as CCTV, for the monitoring and recording of incidental catches of protected species the recording of oceanographic data such as temperature, salinity, plankton, algae blooms or turbidity the mapping of invasive alien species actions, including studies, to prevent and control the expansion of invasive alien species.

	Financial incentives for the installation on board of automatic recording devices for monitoring and recording oceanographic data such as temperature, salinity, plankton, algae blooms or turbidity.
	Costs for chartering of commercial fishing vessels for environmental observation at a rate proportional to the activity.
	Costs for other scientific actions related to the mapping and assessment of marine and coastal ecosystems and their services.
For projects relating to the participation in other actions aimed at maintaining and enhancing biodiversity and ecosystem services which aim to restore specific marine and coastal habitats in support of sustainable fish stocks	Actions reducing physical and chemical pollution.
	Actions reducing other physical pressures, including anthropogenic underwater noise, that negatively affect biodiversity.
	Positive conservation measures to protect and conserve flora and fauna, including the reintroduction of or stocking with native species, and applying Green Infrastructure principles referred to in the Commission Communication on Green Infrastructure.
	Actions to prevent, control or eliminate invasive alien species.