

Joint Programme Monitoring Committee: EMFF Update

1. This paper provides an update to the JPMC on the Scottish element of the European Maritime and Fisheries Fund (EMFF). The EMFF is programmed at a UK level with a discreet Scottish allocation from the UK funding. Annex B provides the details of the programme
2. The focus of programming is delivery against the 6 Union Priorities and in line with the UK financial plan, indicators, and objectives. Annex A provides progress on 6 EMFF Union Priorities which are;
 - Promoting environmentally sustainable, resource-efficient, innovative, competitive and knowledge-based fisheries.
 - Fostering environmentally sustainable, resource-efficient, innovative, competitive and knowledge-based aquaculture.
 - Fostering the implementation of the Common Fisheries Policy
 - Increasing employment and territorial cohesion
 - Fostering marketing and processing
 - Fostering the implementation of the Integrated Maritime Policy.
3. A further rounds of awards are presently with the Cabinet Secretary for approval and will commit an additional £7.7m to 75 projects in the sea fisheries, aquaculture, processing & marketing and ports sectors.
4. Progress towards Results Indicators remains mixed and further work is underway to challenge grant applicants and recipients to provide more detailed information regarding impacts and outcomes from assisted investments.

Annex A

EUROPEAN MARITIME FISHERIES FUND UPDATE - SCOTLAND

31 March 2017

	Baseline (A)			Committed to date (B)		Applicant commitment		Spend to date (C)				Balance remaining of committed (B-C)		Balance remaining from Budget (A-B)	
	Euro rate used	Budget Available EMFF	National Exposure	EMFF	National (IB)	Other National	Private contribution	EMFF	National (IB)	Other National (claimed by applicant)	Applicant spend	EMFF	National	EMFF	National
	0.8528														
Union Priority 1	€ 24,130,000	£20,578,064	£20,551,521.00	£12,124,983.54	£6,628,837.49	£655,314.70	£14,434,400.37	£1,090,822.11	£851,799.03	£132,069.14	£1,050,207.42	£11,034,161.43	£5,777,038.46	£8,453,080.46	£13,922,683.51
Union Priority 2	€ 13,255,432	£11,304,232	£11,289,651.00	£4,634,547.28	£1,986,648.21	£90,000.00	£10,981,206.36	£97,756.36	£57,526.18	£0.00	£155,282.58	£4,536,790.92	£1,929,122.03	£6,669,685.06	£9,303,002.79
Union Priority 3	€ 40,756,370	£34,757,032	£8,678,050.00	£1,964,209.16	£491,052.29	£0.00	£0.00	£1,964,209.16	£491,052.29	£0.00	£0.00	£0.00	£0.00	£32,792,823.04	£8,186,997.71
Union Priority 4	€ 6,000,000	£5,116,800	£5,110,200.00	£385,594.74	£122,721.21	£23,000.00	£161,564.07	£0.00	£0.00	£0.00	£0.00	£385,594.74	£122,721.21	£4,731,205.26	£4,987,478.79
Union Priority 5	€ 16,099,619	£13,729,755	£12,783,174.00	£3,922,258.23	£1,448,906.60	£15,000.00	£5,710,825.82	£792,623.70	£406,574.20	£0.00	£960,873.23	£3,129,634.53	£1,042,332.40	£9,807,496.82	£11,334,267.40
Union Priority 6	€ 2,453,949	£2,092,728	£2,090,028.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£2,092,727.81	£2,090,028.00
Technical Assistance	€ 4,993,560	£4,258,508	£1,417,671.67	£4,258,508.00	£1,419,503.00	£0.00	£0.00	£313,701.46	£167,007.43	£0.00	£0.00	£3,944,806.54	£1,252,495.57	-£0.03	-£1,831.33
TOTAL	€ 107,688,930	£91,837,119	£61,920,295.67	£27,290,100.95	£12,097,668.80	£783,314.70	£31,287,996.62	£4,259,112.79	£1,973,959.13	£132,069.14	£2,166,363.23	£23,030,988.16	£10,123,709.67	£64,547,018.42	£49,822,626.87

Operational Programme Data				
UK Result indicators	Target value for 2023	RI baselines reported	No of projects assessed under the RI	Average baseline following EMFF Investment
1.3 - Change in net profits	€ 893,000.00	€ 318,572.89	38	8,383.50
1.4.b - Change in unwanted catches	-12%	-	-	
1.5 - Change in fuel efficiency of fish capture	-13	-	-	
1.6 - Change in the % of unbalanced fleets	0	-	-	
1.8 - Employment maintained (FTE) in the fisheries sector or complementary activities	280	4	1	4
1.9.a - Change in the number of work-related injuries and accidents	-3	-24	4	-6
1.9.b - Change in the % of work-related injuries and accidents in relation to total fishers	-5	-	-	
1.10.a - Change in the coverage of Natura 2000 areas designated under the Birds and Habitats directives	25000	-	-	
1.10.b - Change in the coverage of other spatial protection measures under Art. 13.4 of the Directive 2008/56/EC	10000	-	-	
2.1 - Change in volume of aquaculture production	3100	62,981.40	10	6,298.14
2.2 - Change in value of aquaculture production	€ 7,900,000.00	€ -	-	
2.3 - Change in net profit	€ 3,290,000.00	€ -	-	
2.4 - Change in the volume of production organic aquaculture	0	-	-	
2.5 - Change in the volume of production recirculation system	0			

		-	-	
2.6 - Change in the volume of aquaculture production certified under voluntary sustainability schemes	0	-	-	
2.7 - Aquaculture farms providing environmental services	25	-	-	
2.9 - Employment maintained	26	-	-	
3.A.1 - Number of serious infringements detected	0.01	-	-	
3.A.2 - Landings that have been the subject to physical control	12%	-	-	
3.B.1 - Increase in the percentage of fulfilment of data calls	0	-	-	
4.1 - Employment created (FTE)	55	5	1	5
4.3 - Businesses created	22	-	-	
5.1.a - Change in value of first sales in POs	€ 16,500,000.00	€ 113,903,864.7 1	11	€ 10,354,896.79
5.1.b - Change in volume of first sales in POs	0	-	-	
5.1.c - Change in value of first sales in non-POs	0	-	-	
5.1.d - Change in volume of first sales in non-POs	0	-	-	
6.2.a - Change in the coverage of Natura 2000 areas designated under the Birds and Habitats directives	25000	-	-	
6.2.b - Change in the coverage of other spatial protection measures under Art. 13.4 of the Directive 2008/56/EC	10000	-	-	

Joint Programme Monitoring Committee: EMFF

Background on EMFF

1. The EMFF is one of the European Structural and Investment Funds (ESIF) for the period 2014-2020, The EMFF is the only ESI fund in Scotland which is programmed at UK level, with the separate elements of the programme delivered in Scotland, England, NI and Wales, and co-ordinated through UK Managing and Certifying Authorities.

The Programme is based around 4 key pillars,

- **Smart, Green Fisheries**
- **Smart, Green Aquaculture**
- **Sustainable and Inclusive Territorial Development**
- **Integrated Maritime Policy**

2. The focus of programming is delivery against the 6 Union Priorities and in line with the UK financial plan, indicators, and objectives. The 6 EMFF Union Priorities are;

1. Promoting environmentally sustainable, resource-efficient, innovative, competitive and knowledge-based fisheries.
2. Fostering environmentally sustainable, resource-efficient, innovative, competitive and knowledge-based aquaculture.
3. Fostering the implementation of the Common Fisheries Policy
4. Increasing employment and territorial cohesion
5. Fostering marketing and processing
6. Fostering the implementation of the Integrated Maritime Policy.

Funding

3. Scotland negotiated an increased share of the UK EMFF allocation, compared to the EFF, and has largest part of the fund - up from 40% to 46% which is worth €107m. When converted to sterling and match funded by SG, the total value could be up to £130m (depending on match funding levels and currency fluctuations).

Scotland share of UK EMFF Allocation

	UK Euro	Allocation	Scotland £	Scotland Euro
Core	137,800,000		50,773,788	63,388,000
Control	45,192,561		15,927,666	19,884,726
Data	52,441,314		16,718,186	20,871,642
Storage	2,370,890		873,578	1,090,609
IMP	5,334,672		1,965,613	2,453,951
Total	243,139,437		86,258,831	107,688,928

4. The core element of the funding package is in essence the main discretionary spend as budget lines for areas such as control (compliance) and data are already fully committed

to activity the Commission requires Marine Scotland deliver on and will be drawn down over the lifetime of the programme.

Assessment of Applications

5. Funding applications are assessed by the EMFF team for eligibility and by policy leads for policy fit. Projects are then considered by The Project Assessment Committee whose role is to make recommendations to the Cabinet Secretary. This process facilitates the access to wider knowledge and expertise to assess EMFF applications from different sectors. There is common membership between the Project assessment Committee, the UK PMC and the JPMC. This facilitates wider co-ordination and delivery of EU funding

6. Project awards and delivery against the agreed programme is reported to the UK MA for collation and submission for scrutiny to the UK EMFF project Monitoring Committee. Since the launch of the UK programme in January this year in excess of £25m has been committed in Scotland to a range of projects. Further rounds are planned later this year and early next with indication that there is the potential to commit in excess of half of the available budget by mid-2017 . The detailed commitment and spend figures against the Union Priority are contained in the attached table.

Strategic Commentary - Progress Against Agreed Targets

7. Overall challenge for the EMFF delivery in Scotland is that the SWOT, OP and Results indicators are developed and set at a UK level and therefore there are challenges in delivering against agreed results indicators. The results indicators per Union Priority, and strategic commentary on activity to date, is set out below;

Union priority 1 – Sea Fisheries

Key priority for Sea fisheries activity is to ensure that stocks are harvested sustainably, the diversity of the marine environment is sustained, and the sector makes a positive contribution to the economy. In particular that the requirements of the landing obligation are met and the restructuring this requires within the sector, both at sea, and onshore is successfully managed. This will therefore focus activity through the EMFF, as set out in the UK OP, to develop highly selective gear and fishing practices which minimise potential discards, and the facilities to hold and process fish both on vessels and on shore.

There is also a continuing need to invest in onshore facilities firstly at the point of landing, to ensure that the necessary facilities are in place to meet the challenges a changing industry faces, and to ensure the processing sector can cope with changing volumes, grades of fish. There is also the need to consider catches that are not going in to the human food chain and how these will be handled and discarded.

OP Result indicator for 2023 Measurement

- Change in unwanted catches (tonnes) tonnes
- Change in fuel efficiency of fish capture
- Change in fuel efficiency of fish capture-

- Change in net profits
- Change in the % of unbalanced fleets
- Change in the value of production thousand Euros
- Change in the volume of production tonnes
- Change in fuel efficiency of fish capture -

- Employment created (FTE) in the fisheries sector or complementary activities
- Employment maintained (FTE) in the fisheries sector or complementary activities
- Change in the number of work-related injuries and accidents
- Change in the % of workrelated injuries and accidents in relation to total fishers

Example of EMFF projects to date

- Some £600k through EMFF to support phase 5 of the SFF's independent on-board observer scheme, which has built up considerable expertise in building cooperation between marine scientists and fishermen, improving the science base for TAC setting.
- £222,000 to assist the scientific evaluation of pelagic stock data and therefore ensure long term sustainable economic exploitation of stocks which have a high economic value to Scotland.
- Supported the Scottish Fishermen's Federation with £1.1m assistance to develop and trial new highly selective gear to reduce discard and meet the requirements of the landing obligation. Initial projects have focussed upon the challenge of allowing vessels targeting prawns (Nephrops) in smaller mesh fisheries to secure commercial catches while also allowing juvenile gadoids to escape.
- £5m to Peterhead Port Authority, as part of a wider £49m development, to support the development of the fish market, to ensure the impact of the landing obligation can be met and provide the required level of high quality marketing for Europe's premier white fish port.
- £1.7m to the University of St Andrew's to manage a multi-partner programme to develop a Scottish Inshore Fisheries Integrated Data System (SIFIDS). This innovative project will improve the collection, collation, analysis and integration of data from the Scottish inshore fleet, and aim to modernise the management of inshore fisheries and improve the interaction of fishing with other marine users
- In excess of £1m to a range of vessel project to purchase more selective gear, improve the quality of fish caught and landed, and support safety developments

Union priority 2 – aquaculture

Scotland's National Marine Plan (NMP) and the UK Multiannual Plan for Sustainable Aquaculture (the framework for EMFF grant awards) include industry targets to sustainably grow marine finfish production to 210,000 tonnes (whole wet fish) and farmed shellfish to 13,000 tonnes by 2020.

If grown sustainably potentially worth over £2 billion to the Scottish economy and supporting 10,000 jobs annually by 2020 with significant further potential - underpinned by world leading science, research and innovation.

SG wants to maximise EMFF to deliver financial support and secure investment and growth in aquaculture - particularly important for shellfish and smaller indigenous finfish businesses.

OP Result indicator for 2023 Measurement

- Change in volume of aquaculture production
- Change in value of aquaculture production
- Change in net profit

- Aquaculture farms providing environmental services
- Aquaculture farms providing environmental services
- Employment created FTE Employment maintained FTE

Includes using EMFF, through supporting innovation, to design new and better ways of fish and shellfish farming, opening up greater access to marine waters and reducing the potential for parasites, disease and environmental impacts. E.g new technical standards and alternatives to medicinal control of sea lice – improving industry efficiencies and reducing interactions with wild salmonids.

Example of EMFF projects to date

- £1.7 million EMFF funding to Scottish Aquaculture Innovation Centre (SAIC) for piloting non-medicinal interventions and operational innovation in Scottish aquaculture – one of five round 2 aquaculture awards.
- Further four projects awarded under productive investments in aquaculture - Loch Fyne Oysters Limited, Charron Ltd, Dawnfresh Seafoods Limited and Fassfern Mussels Limited – in total £2.5 m.
- Previously, in round 1, EMFF funding was awarded to piloting a commercial mussel hatchery in Scotland (Shetland) as part of a multi-partner collaboration. The launch of a commercial hatchery could lead to higher and more reliable mussel production, increased private sector investment in shellfish production, and more jobs for the sector, in remote coastal and island communities.

Union priority 4 - Increasing employment and territorial cohesion

OP Result Indicators

- Employment created (FTE)
- Employment maintained (FTE)
- Businesses created

£6.5m awarded to Fisheries Local Development Groups (FLAGs) through Scotland's working with 21 Local Action Groups (LAGs) under the CLLD approach. 3 FLAGs up and running approving projects which require sign off through Marine Scotland, the Intermediate Body. Additional to the development of the IDS and appointment of FLAGs, 6 training days have been delivered covering areas such as systems and eligibility.

Union priority 5 - Fostering marketing and processing

Significant support is envisaged in respect of the processing sector to ensure that this sector can cope with changing volumes, sizes and potentially species, brought about through the landing obligation.

There is also a continuing need to ensure that high quality markets are delivered through the necessary capacity and capability in the Scottish processing sector. This is particularly true for the aquaculture sector where added value is important for the shellfish element of the sector,

Final element in the chain is the marketing activity which supports the sea fisheries and aquaculture sectors in highly competitive market place, not only in respect of seafood products, but also for other proteins. Support not only focus on the opportunities international marketing provides, but also on the Scottish and UK market which short supply chains particularly suit the inshore sector “day” boats which can access new highly quality markets due to the perceived freshness of their product. Much of this activity is delivered through engagement with the Scottish POs

OP Result indicator for 2023 Measurement

- Change in value of first sales in POs Change in volume of first sales in POs
- Change in value of first sales in non-POs thousand Euros Change in volume of first sales in non-POs

Example of EMFF projects to date

- £100k to support Scottish seafood marketing at the European Seafood Exposition in Brussels
- Up to £1.4m to support SMEs in developing new local markets, prioritising low impact inshore fisheries, and connecting with new supply chains and existing marketing opportunities

Union priority 6 - Fostering the implementation of the Integrated Maritime Policy

OP Result indicator for 2023 Measurement

- Change in the coverage of Natura 2000 areas designated under the Birds and Habitats directives
- Change in the coverage of other spatial protection measures under Art. 13.4 of the Directive 2008/56/EC

Work is underway within Marine Scotland to deliver a strategic project to monitor Scotland's network of Marine Protected Areas. This will contribute to Art. 13.4 of the Directive 2008/56/EC - *contributing to coherent and representative networks of marine protected areas, adequately covering the diversity of the constituent ecosystems, such as special areas of conservation pursuant to the Habitats Directive, special protection areas pursuant to the Birds Directive, and marine protected areas*

JPMC Secretariat
30 November 2016