

## CHAPTER 9

### FINANCIAL INSTRUMENT FOR FISHERIES GUIDANCE (FIFG)

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## **Introduction**

1. Aid for the English fisheries sector from the Financial Instrument for Fisheries Guidance (FIFG) is administered centrally by Fisheries I Division, Branch B of the Department for Environment, Food and Rural Affairs (DEFRA). The Programmes cover the seven year period 2000-2006. Full details are available from:

Department for Environment, Food and Rural Affairs  
Fisheries IB  
Room 441  
Nobel House  
17 Smith Square  
London SW1P 3JR  
Telephone: 020 7238 5314 (Answering machine - for application forms)  
020 7238 5903 (Enquiries)

2. The following is an overview of eligibility criteria, the procedure for assessing applications and making grant awards, how projects are monitored and the payment of claims.

## **Eligible projects**

### **Measure 1 : Vessel Modernisation**

3. FIFG grant is limited to vessels which have their home port in England ("Home port" means the port in which a vessel is normally based and from which it normally operates). Grant can be awarded for:

#### **(a) Adoption of sustainable catching methods**

The purpose of this aid is to enable diversification of effort away from pressurised stocks and to encourage reductions in discards of fish as well as of marine mammals and birds and reductions in catches of undersized fish.

#### **(b) Facilities to maximise the quality of fish on board vessels**

Aid is available towards enhancing the ability of vessels to maintain the quality of fish caught in order to maximise its value at the point of first marketing.

### **(c)(Cornwall only)Improvements to crew comfort and working conditions**

Aid to improve crew comfort and working conditions is available for the upgrading of accommodation and facilities for the crew.

4. Grant is **not** available for:
  - aid for vessel modernisation which leads to increased fishing effort or an increase in fishing capacity either in tonnage or power;
  - vessel modernisation related to:
    - safety equipment,
    - maintenance and repair of fishing vessels,
    - like for like replacement fishing gear, or
    - vessels which have not been registered as a fishing vessel for at least 12 months.

### **Measure 2 : Protection and development of aquatic resources**

5. Aid is available for fixed or movable structures, e.g. artificial reefs, with the purpose of protecting nursery grounds and stocks and to encourage breeding with the aim of enhancing fish stocks. Projects must include plans for scientific monitoring of the development of aquatic resources in the waters concerned for at least five years, including the provision of annual reports, and for the evaluation of the project.

### **Measure 3 : Improvement of Fishing Port Facilities**

6. Aid is available for capital investments which are of collective interest to fishermen using a port. They must contribute to the general development of the port and represent an improvement of services offered to fishermen.

### **Measure 4 : Processing and marketing of fishery and aquaculture products**

7. Grants for the processing and marketing of fishery and aquaculture are available to encourage innovation and capital investment in fish processing, including the modernisation of premises and production methods and the improvement of hygiene with a view to supporting enhancement of quality and adding value to the sector.

8. Grant will **not** be available for projects concerning the production or marketing of products not intended for human

consumption (**but** projects concerning the production or marketing of products derived exclusively from waste material **are eligible**).

### **Measure 5 : Product Promotion**

9. Aid is available for generic advertising campaigns to promote the consumption of fish and shellfish, market studies, consumer surveys and sales advice and assistance. Such campaigns cannot be based around commercial brands or make reference to particular countries or regions unless the product or process and geographical area has been recognised by Regulation (EEC) 2081/92 of 14 July 1992 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs.

### **Measure 6 : Projects by members of the trade**

10. Aid is available to producer organisations and other collective organisations to support short term operations which will improve the safety, sustainability and economic viability of the fishing industry. A collective organisation is one acting on behalf of and in the interests of the fishing industry or a part of the industry. Applicants will need to explain clearly how the project will be of collective benefit to the fishing industry and how these benefits have been calculated. These benefits need to be quantified and, for example, could relate to the potential for increasing profitability/reducing losses and other benefits.

### **Measure 7 : Innovative measures**

11. Aid for innovative measures is available for activities such as pilot projects, studies and demonstration trials. Funding will be available for innovative measures which are designed to identify opportunities for future restructuring and to improve the sustainability of the fishing industry. Aid will be provided for projects which are of collective benefit to the fishing industry and which are implemented on the initiative of public bodies or, for pilot projects only, private sector bodies. Applicants will need to explain clearly how the project will be of collective benefit to the fishing industry and how these benefits have been calculated. These benefits need to be quantified and, for example, could relate to the potential for increasing profitability/reducing losses and other benefits.

### **Measure 8 (Cornwall only): Aquaculture**

12. The following activities are eligible for grant:

- capital investments for the construction, extension, modernisation or equipping of installations for rearing fish, crustaceans or molluscs; and

- projects designed to demonstrate, on a scale approaching that of normal productive investments, the technical and economic viability of farming species not yet commercially exploited in the aquaculture sector or innovative farming techniques, provided that they are based on successful research work.

Grant is **not** available for purchase of eggs, fry, juveniles or breeding stock.

### **Level of Aid**

13. The following tables summarise the limits on eligible costs and the grant rates.

#### **Outside Objective 1**

<b>Measure</b>	<b>Min Costs</b>	<b>Max Costs</b>	<b>Private</b>		<b>Public</b>	
			<b>FIF G</b>	<b>DEFR A</b>	<b>FIF G</b>	<b>DEFR A</b>
Vessel modernisation	£2,000	£100,000	15	5		
Protection and development of aquatic resources					25-50	
Fishing port facilities	£5,000	£750,000	15	5	25-50	
Processing and marketing	£5,000	£350,000	15	5		
Promotion			15	5	25-50	
Projects by members of the trade (except SFIA Safety Training)			15	5	25-50	50)
Innovative measures (except Pilot projects)			50	5)	25-50	

#### **Cornwall**

<b>Measure</b>	<b>Min Costs</b>	<b>Max Costs</b>	<b>Private</b>		<b>Public</b>	
			<b>FIF G</b>	<b>DEFR A</b>	<b>FIF G</b>	<b>DEFR A</b>
Vessel modernisation		£100,000	35	5		

		0				
Protection and development of aquatic resources					50-75	
Fishing port facilities		£750,000	35	5	50-75	
Processing and marketing		£350,000	35	5		
Promotion			35	5	50-75	
Projects by members of the trade (except SFIA Safety Training)			35	5	50-75 50	50)
Innovative measures (except Pilot projects)			75	5)	50-75	
Aquaculture			35	5		

### **Merseyside (only the following measures apply)**

Measure	Min Costs	Max Costs	Private		Public	
			FIF G	DEFR A	FIF G	DEFR A
Vessel modernisation		£50,000	20	20		
Fishing port facilities		£100,000	20	20	50	
Processing and marketing		£100,000	20	20		
Projects by members of the trade			20	20	50	

### **Objective 2 Areas**

14. The UK was successful in obtaining the Commission's agreement to designating as Objective 2 most of the fisheries dependent areas in England. Many of these areas (where fish catching or processing is important or where fishermen live) were designated under the fisheries strand of Objective 2. Some areas were designated under the fisheries strand because they were in proximity to fisheries dependent areas. Larger fishing port infrastructure projects in Objective 2 areas (probably including a non-fisheries element) would be eligible under the European Regional Development Fund (ERDF).

## **Applications**

15. Application forms may be obtained from DEFRA. The form can also be found at [www.maff.gov.uk/fish/grants.htm](http://www.maff.gov.uk/fish/grants.htm). The form includes guidance on how to complete it. Once DEFRA receive an application they will check it to see if the project is eligible to receive a grant. It will then be evaluated to determine whether it is sound, cost-effective and represents good value for money.

## **Selection of Projects**

16. Funds are limited and so projects will be assessed on a competitive basis. Whether a project receives an award will depend on how well it compares with all the other projects in meeting the aims of the scheme. Thus there can be no guarantee that all eligible projects will be awarded grant.

17. Projects from outside Objective 1 areas will be selected in three-monthly tranches by DEFRA at a Project Selection Meeting. For Cornwall applications will be assessed by the Objective 1 Fisheries Priority Management Group (FPMG) who are responsible for prioritising the project applications. The FPMG includes representatives from the local fishing industry and public bodies. The FPMG recommendations are then be referred to the Objective 1 Working Group which is responsible for approving all but the very largest applications. All FIFG applications will be considered by the Working Group but they will not see detailed project proposals/business plans.

18. Following this Offer Letters will be sent to those that are successful setting out the grant award, eligible project costs, expected date of completion, specific targets and projected benefits for the project and target date for submission of the grant claim. Offer Letters will enclose detailed Conditions of Grant and an acceptance of conditions form for completion.

## **Project Monitoring**

19. DEFRA will seek regular information in the form of Progress Reports on how projects are going. Progress Reports are expected every 6 months and whenever a claim is submitted.

## **Grant Claims**

20. All claims for grant will be processed within 8 weeks of receipt of all necessary information. The claim form will be checked for

completeness and that all necessary documents have been supplied. A site inspection of the project will be carried out.

### **Follow-up Checks**

21. For all capital projects and any others with a long term impact, each year for three years after final payment DEFRA will request a progress report on the business and on the performance of the project. The completed details will be examined to ensure that the premises and equipment are being used for the purposes for which grant was paid and that performance is in line with that envisaged in the original application. An inspection visit may also be arranged.

22. It is a condition of grant that any equipment for which grant aid is paid must remain in place, be kept in good repair, and used for the same purpose, for at least six years from the date of completion of the project. For buildings on which grant is paid, the corresponding period is 10 years. For vessel modernisation grants, the vessel must continue to be used for commercial fishing for 5 years. DEFRA will carry out checks in order to confirm continued use.