Welsh Government – European Maritime and Fisheries Fund 2014-2020

Support for Aquaculture

Guidance Notes
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INTRODUCTION

1. These Guidance Notes explain the European Maritime and Fisheries Fund (EMFF) Support for Aquaculture - and the kind of projects and investments that may qualify for grant aid. Please read them carefully. If you then consider your investment plans or project 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 those objectives shall not result in an increase in fishing capacity of a vessel nor increase the ability of a vessel to find fish.

4. This guidance should be used for projects and investments relating to:
   - stimulating innovation in aquaculture
   - supporting productive investments and driving growth in aquaculture projects
   - improving the overall performance and competitiveness of aquaculture farms, and mitigating the environmental impact of their operations through management, relief and advisory services
   - promoting human capital and networking in aquaculture
   - contributing to the development of aquaculture sites and infrastructure and mitigating the environmental impact of their operations
   - fostering entrepreneurship in aquaculture through the setting-up of sustainable small and micro aquaculture enterprises by new aquaculture farmers
   - fostering the development of aquaculture providing environmental services.

5. Aquaculture is the farming of aquatic organisms in inland and marine waters, involving intervention in the rearing process to enhance production and the individual or corporate ownership of the stock being cultivated. There must be both:
   - intervention in the rearing process to enhance production
   - individual or corporate ownership of the stock being cultivated.
6. EMFF is important to the aquaculture industry, and fisheries and coastal communities more widely, as it will help support the long term sustainability of the sector and the economic growth of the area.

7. The focus for Wales is to exploit the potential of marine and inland aquaculture to provide increased production and added value from our natural resources.

8. Where applicable, applicants must demonstrate that a viable market has been identified for their product(s) and that the project would not proceed without the grant.

9. Specifically, for projects involving the development, trialling or production of aquaculture products, support shall only be granted where it has been clearly demonstrated (for example, in an independent marketing report) that good and sustainable market prospects exist for the product. Entrepreneurs entering the sector must provide an independent marketing report.

10. Where projects consist of investments in equipment or infrastructure ensuring compliance with future requirements relating to the environment, human or animal health, hygiene or animal welfare under Union law, support may be granted until the date on which such requirements become mandatory for the enterprises.

11. It is the responsibility of the applicant to ensure that proposed projects or investments are technically viable, comply with all relevant health and safety legislation and any other project specific safety requirements.

12. 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.

13. Entrepreneurs entering the sector shall provide a business plan and, where the amount of investments is more than €50,000, a feasibility study including an environmental assessment of the operations.

14. 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.

15. 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**

16. This Guidance Note covers the following EMFF Measures:
European Maritime and Fisheries Fund – Support for Aquaculture Guidance Notes

• Measure II.1: Article 47 – Innovation
• Measure II.2: Article 48.1.a-d, f-h - Productive investments in aquaculture
• Measure II.3: Article 48.1.e, i, j - Productive investments in aquaculture - resource efficiency, reducing usage of water and chemicals, recirculation systems minimising water use
• Measure II.5: Article 49 - Management, relief and advisory services for aquaculture farms
• Measure II.6: Article 50 – Promotion of human capital and networking
• Measure II.7: Article 51 - Increasing the potential of aquaculture sites
• Measure II.8: Article 52 - Encouraging new aquaculture farmers practising sustainable aquaculture
• Measure II.10: Article 54 - Aquaculture providing environmental services.

STRATEGIC AND THEMATIC OBJECTIVES

17. 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, 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)

18. 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.

19. 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.

20. Article 45 of Regulation (EU) No 508/2014 explains that Sustainable Development of Aquaculture activity under EMFF shall contribute to the achievement of the specific objectives under the Union Priority set out in Article 6(2) of the same Regulation.

21. Article 6(2) is relevant to Articles 47, 48, 49, 50, 51, 52 and 54 as it stipulates: Fostering environmentally sustainable, resource-efficient, innovative, competitive and knowledge-based aquaculture by pursuing the following specific objectives:

(a) The provision of support to strengthen technological development, innovation and knowledge transfer

(b) The enhancement of the competitiveness and viability of aquaculture enterprises, including the improvement of safety and working conditions, in particular of SMEs

(c) The protection and restoration of aquatic biodiversity and the enhancement of ecosystems related to aquaculture and the promotion of resource-efficient aquaculture

(d) The promotion of aquaculture having a high level of environmental protection, and the promotion of animal health and welfare and of public health and safety

(e) The development of professional training, new professional skills and lifelong learning.

22. In addition projects must address one or more of the 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

23. Support is limited to aquaculture enterprises\(^1\), unless stated otherwise in paragraphs 24-31. If you are unsure whether you are eligible to apply for support under a specific Measure, please contact the Welsh Government to discuss before making an application for funding.

Measure II.1: Article 47 – Innovation

24. In addition to the provisions of paragraph 23, projects shall be carried out by, or in collaboration with, public or private scientific or technical bodies, recognised by the Member State.

Measure II.5: Article 49 - Management, relief and advisory services for aquaculture farms

25. In derogation from the provisions of paragraph 23, support for the setting-up of management, relief and advisory services for aquaculture farms shall only be granted to public law bodies or other entities selected by the Welsh Government to set up the farm advisory services.

26. Support for the purchase of farm advisory services of a technical, scientific, legal, environmental or economic nature shall only be granted to aquaculture SMEs or aquaculture organisations, including aquaculture producer organisations and associations of aquaculture organisations.

Measure II.6: Article 50 - Promotion of human capital and networking

27. In addition to the provisions of paragraph 23, support shall also be granted to public or semi-public organisations and to other organisations recognised by the Welsh Government. Support may also be granted to spouses of self-employed aquaculture farmers or, where and in so far as they are recognised by national law, to the life partners of self-employed aquaculture farmers.

28. New aquaculture farmers entering the sector may benefit from support from this Measure in order to acquire adequate professional skills.

29. In derogation from the provisions of paragraph 23, support for professional training, lifelong learning, the dissemination of scientific and technical knowledge and innovative practices, the acquisition of new professional skills in aquaculture and with regards to the reduction of the environmental impact of aquaculture operations; shall not be granted to large aquaculture enterprises, unless they are engaged in knowledge-sharing with SMEs.

\(^1\) An enterprise is considered to be any entity engaged in an economic activity, irrespective of its legal form.
Measure II.7: Article 51 - Increasing the potential of aquaculture sites

30. In derogation from the provisions of paragraph 23, beneficiaries shall only be public law bodies or private bodies entrusted by the Welsh Government with undertaking the eligible activities referred to in paragraphs 57-58.

Measure II.8: Article 52 - Encouraging new aquaculture farmers practising sustainable aquaculture

31. In derogation from the provisions of paragraph 23, support shall be granted to new aquaculture farmers entering the sector provided that they fulfil all of the following requirements:

- possess adequate professional skills and competence
- set up for the first time an aquaculture micro or small enterprise, as managers of that enterprise
- submit a business plan for the development of their aquaculture activities.

Definition of an SME

32. A SME is an undertaking that employs less than 250 employees (based on fulltime equivalents) and has an annual turnover not exceeding 50 million euros and/or an annual balance sheet total not exceeding 43 million euros. Part-time staff and seasonal workers should be treated as a fraction of a full time equivalent.

- SMEs consist of 3 sub-categories of enterprises: micro, small and medium
- micro enterprises employ less than 10 employees, small enterprises less than 50 employees, medium enterprises less than 250 employees
- the size of the enterprise also refers to the annual turnover and annual balance sheet total in certain situations.

For a full definition please refer to the European Commission user guide and model declaration, ‘The new SME definition’.²

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All Measures

33. 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.

34. 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

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

Measure II.1: Article 47 – Innovation

36. Activities will support the need for innovation and research into reducing negative impacts on the industry and technical developments that support expansion. Activities will help expand production (e.g. via research into co-location with other marine use sites such as wind farms) while improving sustainability of the sector. The approach will also seek to identify additional sustainable production capacity and new sites (including those in more exposed areas).

37. Innovation will also drive the development of non-food aquaculture e.g. marine agronomy and biofuels.

38. Eligible activities are:

   • projects developing technical, scientific or organisational knowledge in aquaculture farms, which, in particular, reduces the impact on the environment, reduces dependence on fish meal and oil, fosters a sustainable use of resources in aquaculture, improves animal welfare or facilitates new sustainable production methods
   • projects developing or introducing on the market new aquaculture species with good market potential, new or substantially improved products, new or improved processes, or new or improved management and organisation systems
   • projects exploring the technical or economic feasibility of innovative products or processes.
39. All projects shall be carried out by, or in collaboration with, public or private scientific or technical bodies, recognised by the Member State, which shall validate the results of such projects.

40. 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.
Measure II.2: Article 48.1.a-d, f-h - Productive investments in aquaculture and Measure II.3: Article 48.1.e, i, j - Productive investments in aquaculture - resource efficiency, reducing usage of water and chemicals, recirculation systems minimising water use

41. Support under both Measure II.2: Article 48.1.a-d, f-h and Measure II.3: Article 48.1.e, i, j may be granted for the increase in production and/or modernisation of existing aquaculture enterprises, or for the construction of new ones, provided that the development is consistent with the United Kingdom Multiannual National Plan for the Development of Sustainable Aquaculture (MANP), which can be found here:


See paragraphs 42-48 for detail on eligible activities under each Measure.

Measure II.2: Article 48.1.a-d, f-h - Productive investments in aquaculture

42. Activities will support the expansion of the aquaculture industry through improvements in modernisation, working and safety conditions, resource efficiency, and health and quality of stocks.

43. Funding will also support greater profitability in the sector through improvements in predator control, the potential of new species being cultured, opening up of new aquaculture locations and diversification in income through complementary activities.

44. Eligible activities are:

- productive investments in aquaculture (for example, investments, in pursuit of the aims outlined in paragraphs 42-43; relating to or engaged in the production of aquaculture stock; that could yield favourable or effective results / benefits)
- the diversification of aquaculture production and species cultured
- the modernisation of aquaculture units, including the improvement in working and safety conditions of aquaculture workers
- improvements and modernisation related to animal health and welfare, including the purchase of equipment aiming at protecting the farms from wild predators
- investments in enhancing the quality of, or in adding value to, aquaculture products
- the diversification of the income of aquaculture enterprises through the development of complementary activities.
45. Support for complementary diversification of income will only be granted to aquaculture enterprises if the complementary activities relate to the core aquaculture business of the enterprise, including angling tourism, environmental services related to aquaculture or educational activities concerning aquaculture.

46. Some limited support may be granted to the restoration of existing aquaculture ponds or lagoons through the removal of silt, or investments aimed at the prevention of silt deposits; however this is not viewed as a priority at this time.

Measure II.3: Article 48.1.e, i, j - Productive investments in aquaculture - resource efficiency, reducing usage of water and chemicals, recirculation systems minimising water use

47. Activities will support the need for innovation and modernisation in the development of sustainable (sometimes non-traditional) aquaculture. Quality improvements and added value will be key drivers in activity and support will deliver projects that will enable producers to reduce water use, improve its quality and increase efficiency.

48. Eligible activities are:
   
   • investments reducing the negative impact or enhancing the positive effects on the environment and increasing resource efficiency
   • investments resulting in a substantial reduction in the impact of aquaculture enterprises on water usage and quality, in particular through reducing the amount of water or chemicals, antibiotics and other medicines used, or through improving the output water quality, including through the deployment of multi-trophic aquaculture systems
   • the promotion of closed aquaculture systems where aquaculture products are farmed in closed recirculation systems, thereby minimising water use.

Measure II.5: Article 49 - Management, relief and advisory services for aquaculture farms

49. In order to improve the overall performance and competitiveness of aquaculture farms, and to reduce negative environmental impact, support may be granted for:
   
   • the setting-up of management, relief and advisory services for aquaculture farms
   • the purchase of farm advisory services of a technical, scientific, legal, environmental or economic nature.
50. Farm advisory services of a technical, scientific, legal, environmental or economic nature cover:

- the management needs to enable aquaculture farms to comply with EU and national environmental legislation, as well as with maritime spatial planning requirements
- the management needs to enable aquaculture farms to comply with EU and national aquatic animal health and welfare or public health legislation health and safety standards based on EU and national legislation
- marketing and business strategies.

51. Beneficiaries shall not receive support more than once per year for each category of farm advisory services referred to in paragraph 50.

52. The farm advisory services referred to in paragraph 50 shall be provided by scientific or technical bodies, as well as by entities providing legal or economic advice with the required competences as recognised by the Member State.

53. Specific requirements and restrictions apply governing which applicants are eligible to receive support to set-up management, relief and advisory services and to receive support to purchase farm advisory services. Please refer to the Who Can Apply section of this Guidance Note for details.

**Measure II.6: Article 50 - Promotion of human capital and networking**

54. Activities will support the development of knowledge exchange and maintenance of skills. Projects will aim to improve the resilience of the sector through the exchange of experience and best practice, professional training, lifelong learning and dissemination of scientific and technical knowledge and innovative practices.

55. Eligible activities are:

- professional training
- lifelong learning
- the dissemination of scientific and technical knowledge and innovative practices
- the acquisition of new professional skills in aquaculture and with regard to the reduction of the environmental impact of aquaculture projects
- the improvement of working conditions and the promotion of occupational safety
• networking and exchange of experiences and best practices among aquaculture enterprises or professional organisations and other stakeholders, including scientific and technical bodies or those promoting equal opportunities between men and women.

56. Specific requirements and restrictions apply governing which applicants are eligible to receive support; please refer to the ‘Who Can Apply’ section of this Guidance Note for details.

Measure II.7: Article 51 - Increasing the potential of aquaculture sites

57. Activities will support the need for coordinated spatial planning to identify the most suitable areas for growth in the sector through mapping suitable sites. Alongside ensuring that sites have adequate production conditions, planning will ascertain the cumulative environmental effects of aquaculture production; complementing Measure II.3: Article 48.1.e, i, j.

58. Eligible activities are:

• identifying and mapping of the most suitable areas for developing aquaculture, taking into account, where applicable, spatial planning processes, and the identification and mapping of areas where aquaculture should be excluded in order to maintain the role of such areas in the functioning of the ecosystem
• the improvement and development of support facilities and infrastructures required to increase the potential of aquaculture sites and to reduce the negative environmental impact of aquaculture, including investments in land consolidation, energy supply and water management.

59. Specific requirements and restrictions apply governing which applicants are eligible to receive support; please refer to the ‘Who Can Apply’ section of this Guidance Note for details.

Measure II.8: Article 52 - Encouraging new aquaculture farmers practising sustainable aquaculture

60. Activities shall foster entrepreneurship in aquaculture, by supporting the setting up of sustainable micro or small aquaculture enterprises by new aquaculture farmers, thereby supporting the sustainable growth of the industry in Wales. Developments should be consistent with the UK MANP.
61. Specific requirements and restrictions apply governing which applicants are eligible to receive support; please refer to the 'Who Can Apply' section of this Guidance Note for details.

62. In order to acquire adequate professional skills, aquaculture farmers entering the sector may benefit from support under Measure II.6: Article 50 for:

- professional training
- lifelong learning
- the acquisition of new professional skills in aquaculture and with regard to the reduction of the environmental impact of aquaculture projects.

**Measure II.10: Article 54 - Aquaculture providing environmental services**

63. Activities will support projects that support environmental objectives through conservation and reproduction programmes for aquatic animals.

64. Eligible activities are:

- participation, in terms of costs directly related thereto, in ex-situ conservation and reproduction of aquatic animals, within the framework of conservation and biodiversity restoration programmes developed by public authorities, or under their supervision.

65. 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.

**INELIGIBLE ACTIVITIES**

**All Measures**

66. 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 solely 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.

67. Support shall not be granted to entrepreneurs entering the sector if it has not been clearly demonstrated in an independent marketing report that good and sustainable market prospects exist for the product.

68. Support shall not be granted to aquaculture projects in marine protected areas, if it has been determined by the competent authority of the Member State, on the basis of an environmental impact assessment, that the project would generate significant negative environmental impact that cannot be adequately mitigated.

Measure II.1: Article 47 – Innovation

69. In addition to the provisions in paragraphs 66-68 above, the following activities are ineligible under Measure II.1: Article 47:

• projects not carried out by, or in collaboration with, public or private scientific or technical bodies, recognised by the Member State
• 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 II.2: Article 48.1.a-d, f-h - Productive investments in aquaculture and Measure II.3: Article 48.1.e, i, j - Productive investments in aquaculture - resource efficiency, reducing usage of water and chemicals, recirculation systems minimising water use

70. In addition to the provisions in paragraphs 66-68 above, the following activities are specifically ineligible under Measure II.2: Article 48.1.a-d, f-h and Measure II.3: Article 48.1.e, i, j:
• retail (defined as the purchase of goods for re-sale) – including premises and vehicles related to retail businesses
• the purchase and modernisation of vessels unless exclusively operating in inland waters and not holding a commercial fishing licence
• the increase in production and/or modernisation of existing aquaculture enterprises, or the construction of new aquaculture enterprises, where the development is not consistent with the UK MANP.
• diversification of income if the complementary activities do not relate to the core aquaculture business of the enterprise
• equipment that might be detrimental to stocks and ecosystems.

Measure II.5: Article 49 - Management, relief and advisory services for aquaculture farms

71. In addition to the provisions in paragraphs 66-68 above, the following activity is specifically ineligible under Measure II.5: Article 49:

• running costs of advisory service providers.

72. Beneficiaries shall not receive support more than once per year for each category of farm advisory services referred to in paragraph 50.

Measure II.7: Article 51 - Increasing the potential of aquaculture sites

73. In addition to the provisions in paragraphs 66-68 above, the following activity is specifically ineligible under Measure II.7: Article 51:

• action taken and implemented by competent authorities under Article 9(1) of Directive 2009/147/EC or Article 16(1) of Directive 92/43/EEC, with the aim of preventing serious damage to aquaculture
• action taken and implemented by competent authorities following the detection of increased mortalities or diseases as provided for in Article 10 of Council Directive 2006/88/EC.

Measure II.8: Article 52 - Encouraging new aquaculture farmers practising sustainable aquaculture

74. In addition to the provisions in paragraphs 66-68 above, the following activity is specifically ineligible under Measure II.8: Article 52:

• development which are not consistent with the UK MANP
• support for setting up medium or large aquaculture enterprises
• professional training; lifelong learning; the acquisition of new professional skills in aquaculture and with regard to the reduction of the environmental
impact of aquaculture projects (support may be granted under Measure II.6 Article 50 for these activities).

**Measure II.10: Article 54 - Aquaculture providing environmental services**

75. In addition to the provisions in paragraphs 66-68 above, the following activity is specifically ineligible under Measure II.10: Article 54:

- activities for which support can only be granted via annual compensation for additional costs incurred and/or income foregone; namely:
  - aquaculture methods compatible with specific environmental needs and subject to specific management requirements resulting from the designation of NATURA 2000 areas in accordance with Directives 92/43/EEC and 2009/147/EC
  - aquaculture projects which include conservation and improvement of the environment and of biodiversity, and management of the landscape and traditional features of aquaculture zones.

**ELIGIBLE COSTS**

**All Measures**

76. Where costs related to the purchase and/or refurbishment and/or adaptation of any building are eligible under the specific eligibility requirements of the Measure, these must be directly necessary for the delivery of project activity and appropriate to the scale, nature and intention of the project.

**Measure II.1: Article 47 – Innovation** and  
**Measure II.2: Article 48.1.a-d, f-h - Productive investments in aquaculture** and  
**Measure II.3: Article 48.1.e, i, j - Productive investments in aquaculture - resource efficiency, reducing usage of water and chemicals, recirculation systems minimising water use** and  
**Measure II.7: Article 51 - Increasing the potential of aquaculture sites** and  
**Measure II.8: Article 52 - Encouraging new aquaculture farmers practising sustainable aquaculture** and  
**Measure II.10: Article 54 - Aquaculture providing environmental services**

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

78. Second hand equipment is eligible for grant aid (for SMEs only) only if it both complies with the specific eligibility requirements of the Measure and 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.

79. The purchase and/or leasing or chartering of vehicles is only eligible if it complies with the specific eligibility requirements of the Measure and if the vehicle in question has a direct contribution to the project and is not used by the beneficiary for any other purpose.

**Measure II.1: Article 47 – Innovation**

80. In addition to the provisions in paragraphs 76-79 above, support under Measure II.1: Article 47 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 or chartering of specialist equipment/facilities and funding for non-standard operations
- consumables (items which are normally written off within a year) 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.

81. Support can, where this can be demonstrated to be directly necessary for and directly related to the delivery of the project, cover tangible assets, such as items of machinery and equipment; and intangible assets such as computer software, patent rights and licences and technical and consultancy fees:
• the purchase and installation of items machinery and equipment, up to the market value of the asset
• acquisition or development of computer software and acquisitions of patents, licenses, copyrights, trademarks.

Measure II.2: Article 48.1.a-d, f-h - Productive investments in aquaculture and Measure II.3: Article 48.1.e, i, j - Productive investments in aquaculture - resource efficiency, reducing usage of water and chemicals, recirculation systems minimising water use

82. In addition to the provisions in paragraphs 76-79 above, support under Measure II.2: Article 48.1.a-d, f-h and Measure II.3: Article 48.1.e, i, j can cover tangible assets such as land, buildings, 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, with land only being eligible to an extent not exceeding 10% of the total eligible costs of the investment project
• 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 two bullet points above, such as architect, engineer and consultation fees, technical design costs, fees relating to advice on environmental and economic sustainability to an extent not exceeding 12% of the total eligible costs of the investment project
• general costs incurred in installing capital works
• contractor costs for labour and use of equipment
• where these are directly linked to and necessary for the delivery of eligible activity - general costs associated with productive investments in closed aquaculture systems, multi-trophic aquaculture systems, aquaculture ponds or lagoons
• the acquisition or development of computer software and acquisitions of patents, licenses, copyrights, trademarks
• for Measure II.2: Article 48.1.a-d, f-h only - where these are directly linked to and necessary for the delivery of eligible activity - the costs necessary for preparatory, research or feasibility studies, including mapping or gap analysis, to support the diversification of the income of an aquaculture enterprise or to add value to aquaculture products.
Measure II.5: Article 49 - Management, relief and advisory services for aquaculture farms

83. Support under Measure II.5: Article 49 can include:

- revenue costs directly associated with and necessary for setting-up advisory services for aquaculture farms, including, subject to the provisions in paragraph 84, small tangible assets such as the purchase and installation of small items of 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 78 and 84); and intangible assets such as computer software, patent rights and licences
- revenue costs associated with the purchase of advisory services and professional advice, such as professional, technical and consultancy fees.

Capital expenditure is not eligible.

84. 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.

Measure II.6: Article 50 - Promotion of human capital and networking

85. Support under Measure II.6: Measure 50 can include:

- costs associated with accessing professional training or acquiring new professional skills, including course fees and materials, and associated costs such as travel and subsistence
- provision of training courses; including trainers’ fees, training materials and associated costs such as venue hire, catering and travel and subsistence
- costs associated with accessing and/or delivering activities or events to disseminate knowledge and/or share best practice; including costs of a coordinator, facilitators or other individuals providing expert advice or guidance, and associated costs such as venue costs, catering and travel and subsistence
- costs associated with accessing specialised advisory or guidance resources (including digital/online resources)
- costs linked to publicity and promotion, when directly associated with and necessary for the delivery of the project.
Measure II.7: Article 51 - Increasing the potential of aquaculture sites

86. In addition to the provisions in paragraphs 76-79 above, support under Measure II.7: Article 51 can cover tangible assets such as land, machinery and equipment; and intangible assets such as computer software, patent rights and licences and technical and consultancy fees and direct and running costs required to carry out the project:

- the construction, acquisition, or improvement of immovable property with the purpose of achieving land consolidation relating to aquaculture sites, with land only being eligible to an extent not exceeding 10% of the total eligible costs of the investment project
- 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 two bullet points above, such as architect, engineer and consultation fees, technical design costs, fees relating to advice on environmental and economic sustainability to an extent not exceeding 12% of the total eligible costs of the investment project
- consultant’s fees, other technical and professional fees; fees incurred for statutory permissions, licences and consents
- general costs incurred in implementing capital works
- contractor costs for labour and use of equipment
- direct costs to carry out any specific activity or trials necessary as part of the project. This can include the hire or chartering of specialist equipment/facilities
- 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
- 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
- reasonable travel and subsistence to enable specialists to visit project sites. This can include overnight stays where needed and justified.
- consumables (items which are normally written off within a year) for undertaking trial or project activity
- costs associated with delivering activities or events to disseminate knowledge and share best practice
- promotional costs, including publicity and awareness raising
- the acquisition or development of computer software and acquisitions of patents, licenses, copyrights, trademarks.
Measure II.8: Article 52 - Encouraging new aquaculture farmers practising sustainable aquaculture

87. In addition to the provisions in paragraphs 76-79 above, support under Measure II.8: Article 52 can include tangible assets such as investments in land, buildings, 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, with land only being eligible to an extent not exceeding 10% of the total eligible costs of the investment project
- 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 two bullet points above, 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
- general costs incurred in implementing capital works
- contractor costs for labour and use of equipment
- acquisition or development of computer software and acquisitions of patents, licenses, copyrights, trademarks.

Measure II.10: Article 54 - Aquaculture providing environmental services

88. In addition to the provisions in paragraphs 76-79 above, support under Measure II.10: Article 54 can include tangible assets such as land, 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 if directly linked to and necessary for the conservation and reproduction of aquatic animals, with land only being eligible to an extent not exceeding 10% of the total eligible costs of the investment project
- 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 two bullet points above, such as architect, engineer and consultation fees, technical design costs, fees relating to advice on environmental and economic sustainability
- general costs incurred in implementing capital works
- contractor costs for labour and use of equipment
- direct costs to carry out any specific physical activity or trials necessary as part of the project. This can include the hire or chartering of specialist equipment/facilities
- the acquisition or development of computer software and acquisitions of patents, licenses, copyrights, trademarks.
INELIGIBLE COSTS

All Measures

89. The following items are examples of 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 92-97, 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 site work 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
- the purchase of cars, vans, motorcycles, bicycles and any other form of personal transport (for whatever purpose)
- 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
- 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.

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

91. 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 II.1: Article 47 – Innovation**

92. In addition to the provisions in paragraphs 89-91 above, the following costs are specifically ineligible under Measure II.1: Article 47:

- the construction or acquisition of immovable property
- the purchase of vehicles (although costs associated with the leasing, chartering or operating of vehicles which are directly necessary for the delivery of the project are a potentially eligible cost).

**Measure II.2: Article 48.1.a-d, f-h - Productive investments in aquaculture and Measure II.3: Article 48.1.e, i, j - Productive investments in aquaculture - resource efficiency, reducing usage of water and chemicals, recirculation systems minimising water use and Measure II.8: Article 52 - Encouraging new aquaculture farmers practising sustainable aquaculture**

93. In addition to the provisions in paragraphs 89-91 above, the following costs are specifically ineligible under Measure II.2: Article 48.1.a-d, f-h; Measure II.3: Article 48.1.e, i, j and Measure II.8: Article 52:

- the purchase of land, including associated expenses, where the costs exceed 10% of your project’s total expenditure
- consumables (items which are normally written off within a year)
- revenue costs such as salaries for key staff; training for directors and key staff.

94. For Measure II.8: Article 52 only: the purchase of vehicles for external transportation (such as lorries, buses, vans, minibuses or any other kind of vehicle used to transport goods or people) is ineligible; although forklift trucks, or similar, used for internal transportation and handling may eligible for EMFF grant aid if they comply with the specific eligibility requirements of the Measure.

**Measure II.5: Article 49 - Management, relief and advisory services for aquaculture farms**

95. In addition to the provisions in paragraphs 89-91 above, the following costs are specifically ineligible under Measure II.5: Article 49:
• 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 construction, acquisition or improvement of immovable property
• the purchase and/or leasing or chartering of vehicles
• running costs of advisory service providers
• costs associated with or resulting from implementing the findings of a feasibility study or professional advice.

Measure II.6: Article 50 - Promotion of human capital and networking

96. In addition to the provisions in paragraphs 89-91 above, the following costs are specifically ineligible under Measure II.6: Article 50:

• 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 construction, acquisition, or improvement of immovable property
• the purchase and/or leasing of machinery and equipment
• the purchase and/or leasing or chartering of vehicles.

Measure II.7: Article 51 - Increasing the potential of aquaculture sites and
Measure II.10: Article 54 - Aquaculture providing environmental services

97. In addition to the provisions in paragraphs 89-91 above, the following costs are specifically ineligible under Measure II.7: Article 51 and Measure II.10: Article 54:

• the purchase of land, including associated expenses, where the costs exceed 10% of your project’s total expenditure
• the purchase of vehicles for external transportation (such as lorries, buses, vans, minibuses or any other kind of vehicle used to transport goods or people) (forklift trucks, or similar, used for internal transportation and handling are only eligible for EMFF grant aid if they comply with the specific eligibility requirements of the Measure)
• the construction or acquisition of buildings.

MAXIMUM GRANT RATE AND MAXIMUM GRANT THRESHOLD

98. The grant amount is made up from the total public sector contribution to the investment or 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).

99. If other EU or UK public funds are obtained to support the costs of a project they will be discounted against the EMFF grant.

100. The minimum grant threshold per individual project or investment is £2,400.

101. 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

102. 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.

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

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

• 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 is 50%
the maximum grant rate for large enterprises (non-SME private organisations) is **30%**.

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

**Derogations:**

106. 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:

(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.

107. 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:**

108. 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.

109. ‘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.

110. 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.

111. 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.
112. In addition, to be eligible for the higher rate of public aid, a project must have innovative features.

113. 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):


114. **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.**

115. 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.

116. The applicant is also expected to demonstrate that:

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

117. 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.
118. 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.

119. 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

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

121. 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)

122. 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

123. 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 fostering environmentally sustainable, resource-efficient, innovative, competitive and knowledge-based aquaculture.

Specific Objective 1: Provision of support to strengthen technological development, innovation and knowledge transfer

Measure II.1: Article 47 – Innovation and  
Measure II.5: Article 49 - Management, relief and advisory services for aquaculture farms

• how the proposed project will contribute towards Specific Objective 1 of providing support to strengthen technological development, innovation and knowledge transfer
• 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: Enhancement of the competitiveness and viability of aquaculture enterprises, including the improvement of safety or working conditions, in particular to SMEs

Measure II.2: Article 48.1.a-d, f-h - Productive investments in aquaculture and  
Measure II.8: Article 52 - Encouraging new aquaculture farmers practising sustainable aquaculture

• how the proposed project will contribute towards Specific Objective 2 of enhancing the competitiveness and viability of aquaculture enterprises, including improving safety or working conditions
• 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 3: Protection and restoration of aquatic biodiversity and enhancement of ecosystems related to aquaculture and promotion of resource-efficient aquaculture

Measure II.3: Article 48.1.e, i, j - Productive investments in aquaculture - resource efficiency, reducing usage of water and chemicals, recirculation systems minimising water use and  
Measure II.7: Article 51 - Increasing the potential of aquaculture sites
• how the proposed project will contribute towards Specific Objective 3 of protecting and restoring aquatic biodiversity, enhancing ecosystems related to aquaculture and promoting resource-efficient aquaculture
• 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 4: Promotion of aquaculture having a high level of environmental protection, and the promotion of animal health and welfare and of public health and safety

Measure II.10: Article 54 - Aquaculture providing environmental services
• how the proposed project will contribute towards Specific Objective 4 of promoting aquaculture with a high level of environmental protection and the promotion of animal health and welfare and of public health and safety
• 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 5: Development of professional training, new professional skills and lifelong learning

Measure II.6: Article 50 - Promotion of human capital and networking
• how the proposed project will contribute towards Specific Objective 5 of developing professional training, new professional skills and lifelong learning
• 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.

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

**KEY REQUIREMENTS**

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

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

127. 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 proceeding 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:

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

Output Indicators:

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

Measure II.1: Article 47 – Innovation and
Measure II.5: Article 49 - Management, relief and advisory services for aquaculture farms

- Number of projects on innovation, advisory services

Measure II.2: Article 48.1.a-d, f-h - Productive investments in aquaculture and
Measure II.3: Article 48.1.e, i, j - Productive investments in aquaculture - resource efficiency, reducing usage of water and chemicals, recirculation systems minimising water use

- Number of projects on productive investments in aquaculture

Measure II.6: Article 50 - Promotion of human capital and networking and
Measure II.8: Article 52 - Encouraging new aquaculture farmers practising sustainable aquaculture
• Number of projects on promoting human capital of aquaculture in general and of new aquaculture farms

**Measure II.7: Article 51 - Increasing the potential of aquaculture sites**

• Number of projects on increasing potential of aquaculture sites and measures on public and animal health

**Measure II.10: Article 54 - Aquaculture providing environmental services**

• Number of projects on limiting the impact of aquaculture on the environment (eco-management, audit schemes, organic aquaculture environmental services)

**Result Indicators:**

130. 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.

131. 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.

132. 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 II.1: Article 47 – Innovation**

• Change in volume of aquaculture production (tonnes) □ Change in value of aquaculture production (thousand Euros)
• Change in net profit (thousand Euros).

**Measure II.2: Article 48.1.a-d, f-h - Productive investments in aquaculture**

• Change in volume of aquaculture production (tonnes) □ Change in value of aquaculture production (thousand Euros)
• Change in net profit (thousand Euros).

**Measure II.2: Article 48. 1.e, i, j - Productive investments in aquaculture - resource efficiency, reducing usage of water and chemicals, recirculation systems minimising water use**

• Change in the volume of production organic aquaculture (tonnes)
• Change in the volume of production recirculation system (in tonnes)
• Change in the volume of aquaculture production certified under voluntary sustainability schemes (tonnes)
• Aquaculture farms providing environmental services.

**Measure II.5: Article 49 - Management, relief and advisory services for aquaculture farms**

• Change in volume of aquaculture production (tonnes) □ Change in value of aquaculture production (thousand Euros)
• Change in net profit (thousand Euros).

**Measure II.6: Article 50 - Promotion of human capital and networking**

• Employment maintained (FTE).

**Measure II.7: Article 51 - Increasing the potential of aquaculture sites**

The “FAME Support Unit’s Working Paper on the Definitions of Common Indicators Version 4.0 Final (October 2016)” does not identify any Results Indicators which are relevant to Measure II.7: Article 51.

**Measure II.8: Article 52 - Encouraging new aquaculture farmers practising sustainable aquaculture**

• Change in volume of aquaculture production (tonnes) □ Change in value of aquaculture production (thousand Euros) □ Change in net profit (thousand Euros).

**Measure II.10: Article 54 - Aquaculture providing environmental services**

• Change in volume of aquaculture production (tonnes)
• Change in value of aquaculture production (thousand Euros)
• Change in the volume of production organic aquaculture (tonnes)
• Change in the volume of production recirculation system (in tonnes)
• Change in the volume of aquaculture production certified under voluntary sustainability schemes (tonnes)
• Aquaculture farms providing environmental services (number of farms).

**Evidencing Results Indicators**

133. The following paragraphs are 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.

134. Change in volume of aquaculture production (tonnes)

• Total annual volume of production expressed in live weight equivalent/wet weight before the project
• Total annual volume of production expressed preferably in live weight equivalent/wet weight after the project.

135. Change in value of aquaculture production (thousand Euros)

• Total annual revenue from first sales of aquaculture products, excluding hatcheries and nurseries before the project
• Total annual revenue from first sales of aquaculture products, excluding hatcheries and nurseries after the project.

136. Change in net profit (thousand Euros)

• Annual Earnings Before Interest and Taxes before the project
• Annual Earnings Before Interest and Taxes after the project.

137. Change in the volume of production organic aquaculture (tonnes)

• The draft guidance from the European Commission indicates that, for projects under Measure II.2: Article 48. 1.e, i, j, the baseline can be zero. Further guidance will be issued, once available, for other Measures where this indicator may be used
• Annual total volume of organic aquaculture production after the project.

138. Change in the volume of production recirculation system (in tonnes)

• Annual total volume of production using recirculation systems before the project
• Annual total volume of production using recirculation systems after the project.

139. Change in the volume of aquaculture production certified under voluntary sustainability schemes (tonnes)

• Total annual volume of production under voluntary sustainability schemes before the project
• Total annual volume of production under voluntary sustainability schemes after the project.

140. Aquaculture farms providing environmental services (number of farms)

• The draft guidance from the European Commission currently indicates that this Result Indicator will be calculated by the Welsh Government. The Welsh Government will provide further guidance when further information becomes available.

141. Employment maintained

• Number of persons in some form of already existing compensated employment, whose job maintenance is plausibly attributable to the EMFF support
• Annual working time per person whose job maintenance is plausibly attributable to the EMFF support.

**Implementation Data:**

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

**Measure II.1: Article 47 – Innovation**

143. The type of innovation:

• knowledge development
• introduction of new species
• feasibility studies.

144. Type of research body involved:

• public
• private.

145. Number of employees benefiting from the project directly in the enterprises supported
Measure II.2: Article 48.1.a-d, f-h - Productive investments in aquaculture

146. Type of investment:

- productive
- diversification
- modernisation
- animal health
- quality of products
- restoration
- complementary activities.

147. Number of employees benefiting from the project

Measure II.3: Article 48.1.e, i, j - Productive investments in aquaculture - resource efficiency, reducing usage of water and chemicals, recirculation systems minimising water use

148. Type of investment:

- environmental and resources □ water usage and quality
- closed systems.

Measure II.5: Article 49 - Management, relief and advisory services for aquaculture farms

149. Type of project:

- setting-up management
- relief and advisory services
- purchase of farm advisory services.

150. Type of advisory service if relevant:

- compliance with environmental legislation
- environmental impact assessment
- compliance with animal welfare, health and safety, and public health legislations
- marketing and business strategies.

151. Number of employees benefiting from the project
Measure II.6: Article 50 - Promotion of human capital and networking

152. Type of activity:

- professional training
- lifelong learning
- dissemination
- new professional skills
- improvement of working conditions and promotion of occupational safety
- networking and exchange of experience.

153. Number of employees benefiting from the project

154. Number of spouses and life-partners benefiting from the project

Measure II.7: Article 51 - Increasing the potential of aquaculture sites

155. Type of project:

- identification of areas
- improvement of support facilities and infrastructures.

156. Number of employees benefiting from the project

Measure II.8: Article 52 - Encouraging new aquaculture farmers practising sustainable aquaculture

157. Total area covered (in km$^2$)

158. Number of employees benefiting from the project

Measure II.10: Article 54 - Aquaculture providing environmental services

159. Type of project:

- ex-situ conservation and reproduction.

160. Number of employees benefiting from the project

161. Total area concerned by NATURA 2000 (in km$^2$)

162. Total area concerned outside NATURA 2000 (in km$^2$)
All Measures

163. 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

164. 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.

165. 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.

166. Further guidance is available at:


HOW TO APPLY

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

168. 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.

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

170. 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.

171. 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.

172. 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.

173. 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

174. 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.

175. 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. The applicant is required to comply with the rules on eligible expenditure as detailed in the relevant Measure Guidance Note.

10. 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.

11. 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.
12. Projects should be completed within the timetable agreed with Welsh Government. You cannot change this without written agreement from Welsh Government.

13. You must confirm that none of the items covered by the application are replacements under an insurance claim.

14. You must provide confirmation that no other public funding (whether from EU or UK sources) has been sought.

15. Any publicity given to the project must make reference to the part played by both the European Union and Welsh Government in funding it.

16. 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.

17. You must allow persons authorised by the Welsh Government, including the Auditor General for Wales, 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.

18. 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.

19. The information provided in the application and any supporting documentation is subject to the Privacy Notice available at https://gov.wales/topics/environmentcountryside/marineandfisheries/europeanmaritime-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**
176. 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.

177. 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.

178. 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**

179. 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.

180. 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.

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

**Offences**

182. The European Maritime and Fisheries Fund (Grants) (Wales) Regulations 2016 No. 665 (W. 182) establish 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**

183. 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.

184. It will be a requirement of the grant award that equipment purchased with the aid of an 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 and, where applicable, to guarantee primary producers a lasting share of the project’s benefits.

185. 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.

186. 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**

187. 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**

188. 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.
189. 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**

190. 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:

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