

## FISHERIES WORKING GROUP – 22 SEPTEMBER 2021

### BULLETIN: PUBLIC FUNDS FOR THE FISHING AND SEAFOOD SECTORS

#### 1 Recommendation

##### 1.1 It is recommended that members note this report

#### 2 Discussion

2.1 At the prior meeting of Fisheries Working Group on 26 May, a bulletin was presented setting out details of the **Marine Fund Scotland** (MFS) which was launched in March 2021 with a £14M budget for 2021/22 for the first phase in Scotland of the replacement programme for EMFF, the EU scheme which committed over £96M to fisheries and maritime interests in Scotland since opening in 2016. £14M is broadly consistent with the average annual EMFF spend for the period 2014-2020. All MFS phase 1 projects must be completed by 31 March 2022, leaving little time for applicants to prepare applications, deliver outcomes and draw down grant support in full by the deadline. Key priorities of MFS are as follows:

- Delivering a low carbon blue economy which contributes to our climate change targets and helps sustain and enhance the natural capital in Scotland's seas.
- Contributing to an innovative, globally competitive, sustainable blue economy with quality jobs and fair work for its participants.
- Fair and inclusive growth that maximises opportunities for people and communities in Scotland.

As was the case for EMFF, large businesses (non-SMEs) are not eligible to apply for MFS support in phase 1. Further details are available at <https://www.gov.scot/policies/marine-and-fisheries-grants/>

2.2 At the time of writing, eleven projects have so far been approved for MFS support, with grant awards totalling £2.83M to date towards eligible project costs of £3.35M. The range of supported projects includes fishing stocks data gathering, support for new entrants to fishing, on-board safety, seafood processing investments and sectoral marketing activity undertaken by Seafood Scotland. Further details are attached as **Appendix 1** to this report. It is to be hoped that future phases of MFS will be multi-year programmes to facilitate strategic investments and that UK State Aid rules will allow larger businesses/major employers to apply. The Chancellor's statement in November 2021 is likely to have a strong bearing on the next phase of MFS.

2.3 The UK Fisheries Bill received Royal Assent on 24 November 2020 and empowers UK Government to fund a wide range of fisheries projects. On 24 December 2020 details of the UK/EU Trade and Cooperation Agreement were published, accompanied by a statement from the Prime Minister that £100M would be made available by the UK Government to invest in the industry. On September 11, 2021, details of the **UK Seafood Fund** were announced, specifically **Pillar 1: Science and Innovation**, which is intended to foster

closer links between industry and science and support data-gathering, help research new types of sustainable fishing gear and drive development of biodegradable packaging for chilled fish and seafood to reduce single-use plastics. The Pillar 1 budget is £24M. The term has not been revealed. A Fisheries Industry Science Partnerships scheme has also been created. <https://www.gov.uk/government/news/24-million-for-cutting-edge-science-and-fisheries>

- 2.4 Details of two further pillars – one for infrastructure and another for skills and training - are expected to be announced later in Autumn 2021. The former *'will invest in projects to strengthen the supply chain in the UK, allowing the industry to make the most of increases in quota secured through the Trade and Cooperation Agreement. Potential projects include funding for the modernisation of ports, logistic hubs, freezing facilities, improvements to processing plants and new fish markets'*, while the latter will support investment in careers, skills and capacity. The announcement acknowledges the industry *'often has lacked formal routes for training and (career) progression'*. It is unclear at the present time how well the respective fisheries industry support schemes administered by UK and Scottish governments will mesh to maximise additionality.
- 2.5 While industry has welcomed the above announcements, comparisons to EMFF 2021-2027 are being drawn, in particular to the long-term certainty offered by a multi-year programme and the quantum of fisheries support for specific Member States. The [European Maritime and Fisheries Fund 2021-2027 \(europa.eu\)](https://european-council.europa.eu/media/e3000000/1/press-18-2020-0010-EN.pdf) states:
- The initially proposed budget for the new EMFF for the 2021-2027 period amounted to €6.14 billion in current prices. The proposed EMFF budget amounted to €5.45 billion....*
- Following the coronavirus crisis however, on 27 May 2020 the Commission published a revised MFF proposal, including increased funding for the fisheries sector. The proposed budget for the next (2021-27) EMFF now amounts to €6.67 billion in current prices....*
- The distribution of the budget under shared management between the Member States is set according to objective and transparent criteria, such as the size of the fishery and aquaculture sector. The biggest beneficiary of the fund is Spain (19.6 %), followed by France (10.3 %), Italy (9.5 %) and Poland (9.3 %). It covers six different priorities. Almost half of the budget covers the 'sustainable fisheries' (26.3 %) and 'sustainable aquaculture' (20 %) priorities. Others are 'implementation of the CFP' (19.4 %), 'employment and territorial cohesion' (9.6 %), 'market and processing' (18.4 %) and 'implementing the IMP' (1.2 %). The remaining part of the budget is used for 'technical assistance' (5.2 %) to help Member States to implement the above priorities.*
- 2.6 From the above, the EMFF allocations for individual Member States over the period 2021-27 can be estimated, providing some context for the relative levels of support available to the UK fisheries sector. The EMFF estimates for some of the more fisheries-dependent Member States are as follows:

| Selected EU Member States | EMFF share | €M total 2021-27 | € M per annum 2021-27 |
|---------------------------|------------|------------------|-----------------------|
| Spain                     | 19.6%      | 1307.32          | 186.8                 |
| France                    | 10.3%      | 687.01           | 98.1                  |
| Italy                     | 9.5%       | 633.65           | 90.5                  |
| Poland                    | 9.3%       | 620.31           | 88.6                  |
| Total                     |            | 6670             | 952.9                 |

Members will be updated as further details emerge of fisheries industry funding schemes from both UK and Scottish governments.

### 3 Scheme of Governance

Fisheries Working Group is able to consider this item in terms of its remit to provide a focus to enable issues and concerns across the wider fisheries sector in Aberdeenshire to be addressed.

### 4 Implications and Risk

| Subject  | Yes | No | N/A |
|--|-----|----|-----|
| Financial                                      |     | x  |     |
| Staffing                                       |     | x  |     |
| Equalities                                     |     | x  |     |
| Fairer Scotland                                |     | x  |     |
| Town Centre First                              |     | x  |     |
| Sustainability                                 |     | x  |     |
| Children & Young People's Rights and Wellbeing |     | x  |     |

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Report by Derek McDonald, Industry Support Executive (Rural & Maritime), 13 September 2021

## Appendix 1: Marine Fund Scotland

Project funding awarded to date 2021/22

| Ref. no.   | Applicant                           | Project title   | Total cost    | Grant awarded |
|------------|-------------------------------------|---|---------------|---------------|
| SCOMFF1114 | Solway firth Partnership            | Solway Marine Litter Project  | £41,060.56    | £ 38,260.56   |
| SCOMFF1128 | Private individual                  | New entrant   | £100,000.00   | £50,000.00    |
| SCOMFF1132 | Private individual                  | New entrant   | £100,000.00   | £50,000.00    |
| SCOMFF1135 | Tranquility Fishing Company Limited | Skirt Net   | £28,900.00    | £14,450.00    |
| SCOMFF1136 | Seafish                             | Fisher Training   | £280,000.00   | £140,000.00   |
| SCOMFF1159 | Davlin Fishing Company Limited      | Upgrade of on-board facilities to enhance quality and reduce carbon footprint | £111,489.00   | £55,744.50    |
| SCOMFF1160 | MEF                                 | Independent Fisheries Science Support Scheme                                  | £357,466.98   | £357,466.98   |
| SCOMFF1197 | Private individual                  | New entrant   | £40,000.00    | £30,000.00    |
| SCOMFF1212 | SWFPA                               | Defibrillators for SWFPA members  | £80,200.00    | £80,200.00    |
| SCOMFF1110 | Messrs George Downie                | Construction of dry goods store and installation of Freezer                   | £412,078.00   | £206,039.00   |
| SCOMFF1104 | Seafood Scotland                    | Market Recovery 2021-22   | £1,806,474.96 | £1,806,474.96 |

Total MFS award value to date: .....£2.83M

Total value of projects supported to date: .....£3.35M