



Marine  
Management  
Organisation



European Fisheries Fund

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**All projects in England**

## **European Fisheries Fund: Eligibility guidance notes**

### **For help with completing applications for collective actions**

The European Fisheries Fund may give financial support to meet a number of economic, environmental and social goals. These eligibility guidance notes will help you to apply for grants that support what we call “collective actions”. This can cover things like:

- contributing sustainably to better management or conservation of resources
- promoting selective fishing methods or gears and reduction of by-catches
- removing lost fishing gear from the sea bed in order to combat ghost fishing
- improving working conditions and safety
- contributing to the transparency of markets in fisheries and aquaculture products including traceability
- improving quality and food safety
- developing restructuring or improving aquaculture sites
- investments concerning production, processing or marketing equipment and infrastructure including for waste treatment
- upgrading professional skills, or develop new training methods and tools
- promoting partnership between scientists and operators in the fisheries sector
- networking and exchange of experience and best practice among organisations promoting equal opportunities between men and women and other stakeholders
- improving management and control of access conditions to fishing areas, in particular through the drawing up of local management plans
- creating producer organisations products, their restructuring and the implementation of their plans to improve quality
- carrying out feasibility studies relating to promotion of partnerships with third countries in the fisheries sector.

## Contents

General guidelines .....	3
Who may apply for grant? .....	3
When can you apply for grant? .....	4
What things might be eligible for a grant? .....	4
What level of grant could you get? .....	9
What will the offer letter contain? .....	10
Can I change a project after I have accepted an offer of grant? .....	10
Writing your business case .....	10
Full description of the project.....	11
Environmental impact assessment.....	11
Marine plans .....	11
What are the benefits of the project?.....	11
Financial benefits .....	11
Environmental benefits .....	12
Other benefits.....	12
How do the benefits compare with the costs? .....	12
Your analysis of quotes .....	12
What results do you expect from the project? .....	12
How will you publicise the project? .....	13
How will you monitor the project? .....	13
How will you manage your risks to delivery? .....	13
Information about your business .....	13
How will your project affect the local area? .....	13

## General guidelines

These notes will help you to apply for European Union grant aid from the European Fisheries Fund (EFF) for **collective actions** projects. You will need to use the correct form (**EFF-APP-AX3-MCI001**) when you apply or a decision on your application could be delayed.

In these notes:

- **You** means the applicant for grant. You can employ a consultant to help you complete your application form but you will still have to sign the form. You will be responsible for ensuring that all of the terms and conditions for grant are fulfilled. In particular, this means that you will be expected to keep ownership of the work which is being grant aided.
- **We** means the Marine Management Organisation (MMO).

The information provided in these guidance notes must only be taken as a guide to the grants which are available. The legal basis for the grants is Council Regulation (EC) 1198/2006, Commission Regulation (EC) 498/2007 and the Grants for Fishing and Aquaculture Industries Regulations 2007 (S.I. 2007/3284) and Council Regulation (EC) 744/2008.

Further advice is available from:

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Website: [www.marinemanagement.org.uk/fisheries/funding/eff.htm](http://www.marinemanagement.org.uk/fisheries/funding/eff.htm)

## Who may apply for grant?

Grants for applications for collective actions are available to enterprises in the public or private sector or both who work collectively together to achieve a common aim and to achieve value added over and above that reached through the sum of individual investments. The EFF may support measures of common interest which are implemented with the active support of operators themselves or by organisations acting on behalf of producers or other organisations.

These organisations may be public or private bodies such as non-government organisations, scientific or trade organisations. They may be appointed by the UK for the implementation of measures supported under the EFF when these measures due to their nature would be more effectively implemented by such organisations. For example, the removal of lost fishing gear from the sea bed in order to combat ghost fishing may be implemented more effectively by an environmental organisation where upgrading of professional skills or development of new training methods and tools may be implemented more effectively by a training centre.

## When can you apply for grant?

You may apply at any time. Depending on the cost of your grant and how complicated it is your application form and business case might have to go forward to a selection panel. These are normally held three times a year.

We reserve the right to close the programme earlier if the funds allocated to the programme have been used up. You should also note that the eligibility criteria will be reviewed from time to time during the lifetime of the programme. The latest copy of these eligibility guidance notes is posted on the MMO website.

## What things might be eligible for a grant?

The main objectives of funding in this area are:

- to ensure a well qualified and innovative industry through the development and delivery of professional, safety and specialist skills training
- to support common actions that will contribute to improved management, sustainable exploitation of resources, improved hygiene standards and minimisation of environmental impacts
- to provide conditions in which the fisheries industry is profitable in the long term and competitive in both global and local markets to the benefit of producers and consumers.

Projects for which a grant is applied for must therefore show how they cover measures of common interest with a broader scope than measures normally undertaken by private enterprises and which help to meet the objectives of the Common Fisheries Policy.

Support will be granted to a project of common interest that is presented by private enterprises, trade organisations and federations, fishers, fish farmers, processors and those acting on their behalf where such measures:

- contribute sustainably to better management or conservation of resources
- promote selective fishing methods or gear and reduction of by-catch
- improve working conditions and safety
- contribute to the transparency of markets in fisheries and aquaculture products including traceability
- improve quality and food safety
- contribute to the improved production, processing or marketing equipment and infrastructure including for the treatment of fisheries and aquaculture products waste
- upgrade professional skills or develop new training methods and tools
- promote partnership between scientists and operators in the fisheries sector
- contribute to UK objectives for small-scale coastal fishing
- carry out feasibility studies relating to promotion of partnership with third countries in the fisheries sector
- create or restructure producer organisations, and implementation of their plans to improve product quality.

In addition to these measures, support from the EFF under Council Regulation EC No 744/2008, In line with Council Regulation EC No 744/2008 this measures will only apply until 31 December 2010, will also provide grant aid for:

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- carrying out energy audits for groups of vessels
- expert advice on the development of restructuring or modernisation plans for groups of vessels or segments of the fleet.

There is a wide range of potential projects eligible for funding. Those which are most likely to attract grant funding would be those which help to improve the balance between the fishing effort and opportunity (such as gear selectivity) as well as those which would increase profitability (such as improving quality) and competitiveness or increase employment. By serving wider public interest this measure aims to contribute to a stable increase in income of fishers, contribution to the restructuring of the sector, and the promotion of joint activities of the sector. Support under collective actions of the EFF may be provided in some cases for measures similar to the ones provided in other areas of EFF funding. The type of measures in these cases may be similar but the scope of intervention shall differ that is these measures are of common interest. Without prejudice to the specific conditions set out here, when support under collective actions is granted to measures similar to the ones provided for under other EFF funding (for example vessel modernisation or investments in aquaculture) the relevant conditions laid down there will be respected.

Please contact the Business Relations Team if you are in doubt about the eligibility of an item. The inclusion of an ineligible item in an application will not normally render the whole project ineligible, but its cost will not be included in the amount upon which grant is calculated. You can also get details of the selection criteria that will be used to approve projects from the MMO website.

Item/area	Eligible	Not eligible
<b>Applicant/s own labour/staff and equipment costs and associated overheads</b>	Staff salaries (and associated overheads) may be eligible if the staff is in addition to the applicant's normal staff complement whilst the project is running but not ongoing operating costs (please contact the Business Relations Team for advice on this).	Any costs of an applicant's own current or existing labour/staff and equipment are not eligible for grant.
<b>Consultancy</b>	Support for measures which aim at improving management and control of access conditions to fishing areas may cover the drafting of local management plans (consultancy, meetings), studies and other actions that improve the management and control of access conditions. The actual management and control of access conditions (such as temporary or permanent cessation of fishing activities, investments on board fishing vessels and selectivity) shall be not be supported under collective actions.	
<b>Debt</b>		Interest on debt and working capital, bank charges, interest.
<b>Equipment</b>	Computers, software, printers, and other	Costs related to the transfer

Item/area	Eligible	Not eligible
	<p>communications equipment where part of a project only.</p> <p>Equipment aimed at protecting farms from wild predators.</p> <p>If any equipment is to be sold at the end of the project you will need to tell us about this as its costs might be deducted from the overall amount of grant we pay.</p>	<p>and installation of existing plant and equipment into a new building or other place of work where the project will be realised.</p> <p>Apart from equipment temporarily needed to put the project in place, you must own any grant-aided equipment.</p> <p>Office equipment and furniture other than computers, software, printers and other communications equipment that are directly associated with or for a new project.</p> <p>Any items on a hire purchase or leasing agreement which have not been paid for in full.</p> <p>Any equipment purchased during the previous seven years with the aid of European Union or national grant is excluded where the price of the equipment exceeds its market value and is more than the cost of similar new equipment.</p> <p>The equipment is not fit for purpose, is not part of a project or does not comply with all necessary standards.</p>
<b>Exploratory fishing</b>		Not eligible.
<b>Feasibility studies</b>	Feasibility studies relating to promotion of partnerships with third countries in the fisheries sector.	
<b>Fees</b>	Fees relating to works not normally exceeding 12 per cent of total costs. Expenditure on obtaining planning permission, design and consultancy, obtaining quotations and ordering equipment may be incurred before you receive authority to start work.	

Item/area	Eligible	Not eligible
<b>Hire purchase of equipment</b>		Items currently on a hire purchase or leasing agreement must be paid for in full before we can grant aid them.
<b>Housing</b>		Not eligible.
<b>Infrastructure</b>	When ponds and other aquaculture facilities are purchased or constructed for training purposes only, support may be granted for an amount not exceeding 10 per cent of the total eligible expenditure of the operation concerned.	The purchase of infrastructure used for lifelong learning for an amount exceeding 10 per cent of total eligible expenditure of the operation concerned.
<b>Land</b>		The purchase of land for an amount exceeding 10 per cent of the total eligible expenditure.
<b>Landscaping</b>		Not eligible.
<b>Leased equipment</b>	Normally only equipment (such as a crane) leased to enable the project to be put in place is eligible but for certain types of project (such as studies, research) other leased equipment required for the project may be eligible (please contact the Business Relations Team for details).	
<b>Lifelong learning</b>	Support provided for under the EFF may also be granted for lifelong learning, including material and non material investments. In this context, when ponds and other aquaculture facilities are purchased or constructed for training purposes only, support may be granted for an amount not exceeding 10 per cent of the total eligible expenditure of the project.	
<b>Payments in kind</b>	In certain circumstances payments in kind may be eligible so long as they consist of the provision of land or real estate, equipment or materials, research or professional activity, or any work for which no charge is made (please contact the Business Relations Team for advice on this). You must be able to demonstrate their equivalent value as if you had purchased the items, and provide documentation of a probative value that will	

Item/area	Eligible	Not eligible
<b>Producer organisations</b>	<p>satisfy the scheme's auditors.</p> <p>Creating or restructuring producer organisations.</p> <p>Restructuring of producer organisations covers cases where a producer organisation undergoes significant changes such as membership, products covered, volume of production, but these changes do not lead to the creation of a new producer organisation and its recognition under Council Regulation 104/2000.</p> <p>Aid for the creation or restructuring of producer organisations, and implementation of their plans to improve product quality, shall be limited to a maximum of three years following the date of recognition of new producer organisations or decision to restructure. In these circumstances, grant paid will gradually reduce over these three years.</p>	
<b>Products not intended for human consumption</b>	<p>Projects exclusively for the treatment, processing and marketing of fish waste material are eligible even if they concern the production or marketing of products not intended for human consumption.</p>	<p>Investments shall not be eligible for assistance where they concern fisheries and aquaculture products intended to be used and processed for purposes other than human consumption, with the exception of investments exclusively for the treatment, processing and marketing of fisheries and aquaculture product waste.</p>
<b>Retail trade</b>		<p>Investments in processing and marketing relating to the retail trade are not eligible for support.</p>
<b>Running costs</b>		<p>Not eligible, other than for the costs to run the project. This includes the purchase of broodstock and juveniles of farmed species.</p>
<b>Second-hand equipment</b>	<p>Where you obtain from the seller of the equipment a declaration stating its origin,</p>	<p>Where the price of the equipment exceeds its market</p>

Item/area	Eligible	Not eligible
	and confirming that at no point during the previous seven years has it been purchased with the aid of national or EU grants, where the price of the equipment does not exceed its market value - and is less than the cost of similar new equipment and where the equipment is fit for purpose and complies with all necessary standards.	value - and is more than the cost of similar new equipment, and where the equipment is not fit for purpose and does not comply with all necessary standards.
<b>Transfer of ownership</b>		Not eligible.
<b>VAT</b>	VAT which is not recoverable, that is you can claim grant against VAT only if you are not registered for VAT. This is unlikely to be for larger projects where VAT is likely to be re-claimable or if you or your business is registered for VAT (please contact the Business Relations Team for advice on this).	Value Added Tax, except for a non recoverable Value Added Tax when it is genuinely and definitively borne by a beneficiary.
<b>Vehicles</b>	Only the costs of vehicles where you can show a direct need for them to deliver your project.	

## What level of grant could you get?

The minimum amount of grant must be more than £600. The maximum amount of grant you can get is £500,000. This must be matched equally with money from national sources and the appropriate amount of private investment. As the scheme is competitive, there is no guarantee that your project will receive grant. Funds will be awarded to projects demonstrating the best value for money.

If your application is successful you will receive a percentage of the total eligible cost of your project. We can only pay grant once you have spent money on your project.

You cannot receive grant on your project from more than one European Union fund. You must therefore confirm on the application form that you have not applied for European Union grant on your project under another scheme. Your project must comply with European Union and UK legislation. It must have a funding package which includes match funding from UK public money and private funds. It should not duplicate existing, or other planned, activity or expenditure. Any contribution from the EFF must be matched against public money and funds from national sources.

Area supported by a grant	Maximum level of grant available (percentage of eligible costs)							
	Cornwall and the Isles of Scilly				The rest of England			
Type of funding	EFF	MMO	Other public	Private	EFF	MMO	Other public	Private

			<b>funds</b>				<b>funds</b>	
Public bodies	75	0	25	0	50	0	50	0
Private bodies	37.5	12.5	0	50	25	25	0	50

## What will the offer letter contain?

The offer letter is a mutual undertaking between you and the MMO. It will set out details of the conditions attached to the offer of grant and the agreed performance targets and outputs for the project. You must therefore comply with the targets and conditions contained in the offer letter along with any details of eligible expenditure to enable us to pay your claims for grant.

The conditions which will appear in the offer letter will be based on those set out in the eligibility guidance notes. We may also add some conditions specific to your project.

When you receive your offer letter you will wish to check it carefully. You will have to sign one copy and return it to us before you can commence your project. You should do this within four weeks. After this period the offer will expire, although we may consider allowing an extension to this deadline.

Details of applications will be treated as commercially confidential throughout the assessment stage. Once your project has been approved we will make public some details, in particular the name of the successful applicant, the amount of grant approved and the nature of the project to which grant has been awarded. In accepting an offer you will be regarded as having given your consent to this. In any publicity for the project you should acknowledge that you have obtained European Union and MMO grant on it.

## Can I change a project after I have accepted an offer of grant?

You may apply for modifications to your project once you have signed the offer letter. However, you must secure approval from us in writing before implementing any modification to your project.

If you fail to do this any resulting costs associated with the change could become ineligible for grant aid. You should note that if you make any changes to an approved project, without our prior approval, we may revise or cancel the grant award. You must tell us about any increase or decrease in the cost of projects. If you think that this applies to you at any stage once your project has been approved you should contact us as soon as possible to discuss the situation. Changes in costs of an existing agreed project are not automatically treated as eligible for grant.

## Writing your business case

You must provide a detailed business case and attach it to your application. You can obtain help with your business case from the Business Relations Team.

Your business case should show that your project:

- has quantified outputs and clear and attainable targets
- will provide an additional and sustainable benefit to the fishing industry
- has a justified need for grant
- will provide good value for money.

Depending on the type of project you want to carry out you will need to show in your application and business case how your project will deliver against the following benefits:

- show measurable economic benefits and promote operational efficiency
- increase competitiveness and /or quality/value from existing markets/products
- create value from and develop or exploit new markets, products or technology
- reduce waste and discards and address market/product information deficiencies
- promote safer working practices by creating safer/better working conditions
- create or sustain employment and/or support diversification into new activities
- promote long term prosperity in fishing-dependent communities
- improve skills, create training opportunities and promote access to employment and/or equal opportunities
- promote sustainability, quality of environments and quality of stocks/species
- reduce adverse impact on environment, habitats and on resources
- support awareness and understanding of environmental issues and impacts
- improve access to environmental information.

### **Full description of the project**

You should set out a full description of the project, including how it will operate and be carried out and a business case to show that the investment offers an adequate guarantee of technical and economic viability. If your application covers more than one phase, you should explain precisely the timing involved in each phase and if appropriate provide a separate business case for each phase.

You should explain why the work is needed, expressing the problem(s) to be addressed in qualitative and quantitative terms.

### **Environmental impact assessment**

Where appropriate, you will need to have carried out an environmental impact assessment. An environmental impact assessment is an important procedure for ensuring that the likely effects of new development on the environment are fully understood and taken into account before the development is allowed to go ahead. You can find more information about these on the Communities and Local Government website

([www.communities.gov.uk/publications/planningandbuilding/environmentalimpactassessment](http://www.communities.gov.uk/publications/planningandbuilding/environmentalimpactassessment)).

### **Marine plans**

You should consider the Marine Policy Statement, or any adopted marine plans in force in the area(s) your project will take place, as part of your project development. You should tell us if and how you have considered these on the application form.

### **What are the benefits of the project?**

You must quantify the benefits of your project and provide details of how you have calculated them. You should indicate how the benefits of the project will continue to be delivered after the grant support comes to an end.

### **Financial benefits**

You should set out the financial benefits that directly result from the project to be grant aided, showing how these have been calculated. These benefits should distinguish between the benefits which you will get from the project and the benefits which the fishing industry will get from the project.

## Environmental benefits

You should set out any environmental benefits of your project, such as the effect on pressurised stocks or discards.

## Other benefits

You should set out any other benefits which the project will provide.

## How do the benefits compare with the costs?

You should provide a financial appraisal of your project, comparing benefits with costs, and showing what would happen if the project was not carried out.

## Your analysis of quotes

You should obtain at least the minimum number of quotes for any individual item, as shown in the following table, and include original quotes, signed and dated by the supplier with your application form. But you may send us your application while you are waiting to receive quotes from suppliers. In that case, please send us the original signed and dated quotes as soon as you receive them. For each item you should set out in your business case which quote you have accepted, and provide an explanation if you have not accepted the lowest quote.

Individual items with an estimated value (excluding VAT) of:	Number of quotes or tenders
Up to £1,500	Single written quote
£1,501 to £5,000	Two written quotes
£5,001 to £60,000	Three written quotes
£60,000+	Formal tender (you should contact the Business Relations Team for advice before going to tender)

An item of equipment will be something which is standalone and contains the components necessary for the operation. Work contracted to different contractors or items of equipment bought from different suppliers will constitute more than one item. Labour costs of a contractor/supplier for fitting can constitute a separate item.

In exceptional circumstances we may consider accepting fewer quotes than the minimum numbers shown above. For example, it may not be possible to obtain three quotes for specialist equipment. If you are unable to provide the minimum number of quotes or tenders required, your business case should explain why this has not been possible.

## What results do you expect from the project?

### Targets

The offer letter that you receive will contain targets and conditions based on your business case. You should therefore provide specific details of the expected results of your project and likely timescales. You will need to be in a position to deliver these targets and conditions in order to receive any grant aid which is allocated to your project and therefore you should consider them in detail in drawing up your business case. You should state whether the project will:

- result in safeguarding jobs which are under threat (note: jobs can be safeguarded by a project only if the completion of the project will prevent staff from being made redundant)
- lead to extra permanent, full-time or part-time jobs or job-equivalents being created in the area
- result in increased profitability (either in terms of reduced losses or increased returns)

- lead to increased turnover/demand
- have other benefits (please specify them).

### **How will you publicise the project?**

Please give details of any publicity you will give to the project. Where the total eligible cost of an operation co-financed by the EFF, exceeds €500,000 (you will need to look at the latest exchange rate to convert pounds to Euros – if you are online you can find this information at [http://ec.europa.eu/budget/infoneuro/index.cfm?fuseaction=currency\\_historique&currency=GBP&language=en](http://ec.europa.eu/budget/infoneuro/index.cfm?fuseaction=currency_historique&currency=GBP&language=en), otherwise you can talk to the Business Relations Team) and consists of the financing of infrastructure or of construction operations you will need to put up a billboard at the site of the project during its implementation.

Your billboard will need to include the European Union logo, a reference to the EFF: 'European Fisheries Fund' and the MMO and some wording that you will need to agree with us. When the project is completed the billboard should be replaced by a permanent plaque.

### **How will you monitor the project?**

You should summarise how you will monitor progress on your project to ensure that the work is completed on schedule. You should also explain how you will be able to demonstrate that the expected results have been achieved.

### **How will you manage your risks to delivery?**

Risk management is the process of identifying and minimising the impact or stopping from happening, risks within a project.

A risk can be defined as "something happening that may have an impact on the achievement of your objectives." We are concerned with anything that would have an impact on the objectives of your project or programmes.

Risks are, by their very nature, events that have not yet happened. You will need to tell us in your business case what risks you have identified and how you will minimise their impact or stop them happening altogether.

### **Information about your business**

You should describe your experience of running similar projects and the results which were achieved. You should provide company accounts for the last three years to demonstrate that your business is financially sound. If your company is a new business, you should provide evidence that it will be financially viable including a cash flow forecast. If your company is currently loss making, this does not necessarily mean that your project is ineligible for grant. However, you will need to explain carefully in your business case the steps you are taking to make your business financially viable, including the contribution you expect the project to make.

### **How will your project affect the local area?**

You should provide details of the extent to which the local fishing industry already has the type of business or activity covered by your application. You should confirm that your project will not lead to significant distortion of competition.