



**An Roinn Talmhaíochta,  
Bia agus Mara**  
Department of Agriculture,  
Food and the Marine

# Citizen Summary

## EMFF Operational Programme 2014 20 *Annual Implementation Report 2017*



Ireland's European Structural and  
Investment Funds Programmes  
2014-2020

Co-funded by the Irish Government  
and the European Union



**European Maritime  
& Fisheries Fund**

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## 1. - Introduction

The aim of the Citizens Summary is to provide a summary of the third Annual Implementation Report (AIR) for the EMFF OP 2014-2020, which reports on the progress achieved under the EMFF OP for the year 2017.

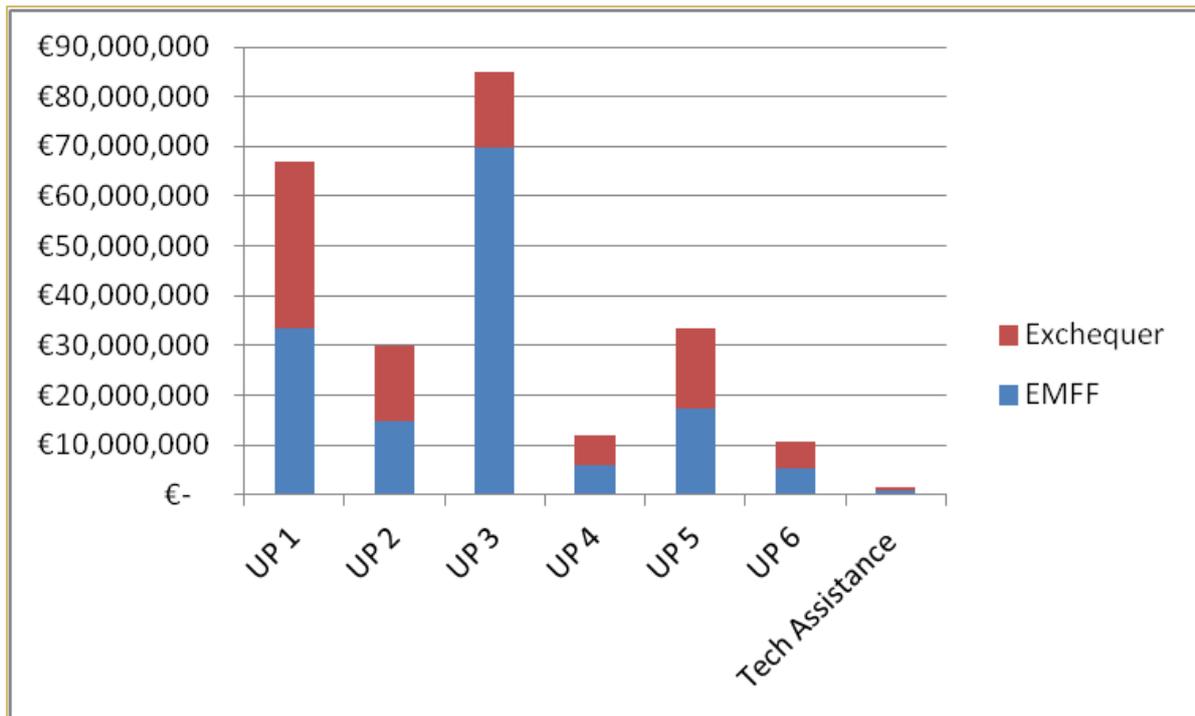
## 2. - Background

Following approval by Government of Ireland's EMFF Operational Programme and its adoption by the European Commission on 4 December 2015, the Programme was formally launched on 14 January 2016. The Programme is implemented under Regulation 508/2014 (European Maritime and Fisheries Fund). The Programme is the principal source of development funding for the seafood sector to 2021 approximately. The Programme provides a range of support measures for fisheries, aquaculture and seafood processing.

The Programme is co-funded by the Exchequer and European Union as follows:

### Financial Allocations by Union Priority

Union Priority	EU	National	Total
1 - Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries	€33,500,000	€33,500,000	€67,000,000
2 - Fostering environmentally sustainable, resource efficient, innovative, competitive and knowledge based aquaculture	€14,900,000	€14,900,000	€29,800,000
3 - Fostering the implementation of the CFP	€69,790,720	€15,133,482	€84,924,202
4 - Increasing employment and territorial cohesion	€6,000,000	€6,000,000	€12,000,000
5 - Fostering marketing and processing	€17,281,587	€16,000,000	€33,281,587
6 - Fostering the implementation of the Integrated Maritime Policy	€5,334,672	€5,334,672	€10,669,344
7 - Technical assistance	€795,000	€795,000	€1,590,000
<b>Total</b>	<b>€147,601,979</b>	<b>€91,663,154</b>	<b>€239,265,133</b>



**Figure 1 -EMFF OP 2014-2020 Allocations**

## 2. - Overview

Ireland's EMFF Operational Programme invested a total of €27.6 million in 2017 in Ireland's seafood sector. This compares to investment of €18.2 million in 2016. The increasing level of investment spend is a positive indication of a ramping up of investment levels in what for most schemes was their second year of operation. While this was a significant increase on 2016, there is nevertheless an impact from the two successive years of lower than anticipated spend. The risk of particular measures making full use of their full allocated Programme budgets is increased and it may in time prove necessary to reallocate funds to better performing measures. This issue is being closely monitored by the Managing Authority and will be kept under ongoing review with the Monitoring Committee.

The performance of the Programme in 2017 was notable in a number of respects, in particular:

- The 7 newly established Fisheries Local Action Groups (FLAGs) launched their first calls for projects and the outcome was very positive, with 153 grants awarded, 16% of the overall FLAG funds spent and a project pipeline that will contribute to 2018 spend.
- Strong interest in EMFF funding of innovation and research projects across fisheries, aquaculture and processing.
- A notable increase in capital investment in aquaculture as more sites are licensed.
- A first call for proposals under the Fishery Harbour Scheme, which should lead to significant spend in 2018.

- An increase in the scale of capital projects.
- The development of a strong project pipeline, with the approval of many projects for completion in 2018 and later years.
- A decision not to proceed with a Fleet Decommissioning Scheme following the negative recommendation of the Cost Benefit Analysis from Grant Thornton.

The cancellation of the Decommissioning Scheme impacts significantly on the Performance Framework Targets for Union Priority 1. A Programme modification proposal will be progressed in the first half of 2018 to substitute targets that reflect the reduced UP1 allocation and measures that now best reflect spending patterns under UP1. Aside from Union Priority 1, the Managing Authority is generally satisfied with progress of other Union Priorities against their 2018 Performance Target milestones. For Union Priority 6, the Managing Authority is closely monitoring performance, but believes that the approved marine spatial planning projects will ensure achievement of the 2018 milestones. For Union Priority 2, the Managing Authority has some concerns regarding the 2018 output indicator milestone for the number of innovation and advisory services projects. The 2018 projects may ensure achievement of the 50 project target. This is being closely monitored by the Managing Authority in association with BIM.

The Managing Authority published the report of Indecon International Economic Consultants on an ex-ante assessment of the case for use of financial instruments under the EMFF. The report was a joint study with the RDP Managing Authority. For the seafood sector the report focused on capital investment in aquaculture and seafood processing. The report recommended a financial instrument combining a partial loan guarantee and interest rate subsidies. A public consultation on the report was initiated. The process had not yet reached an outcome by end 2017.

### 3. - EMFF Implementation 2017

In 2017, some 17 schemes were funded under the European Maritime and Fisheries Fund Operational Programme for Ireland. The table below lists the expenditure for 2017 on each of the schemes.

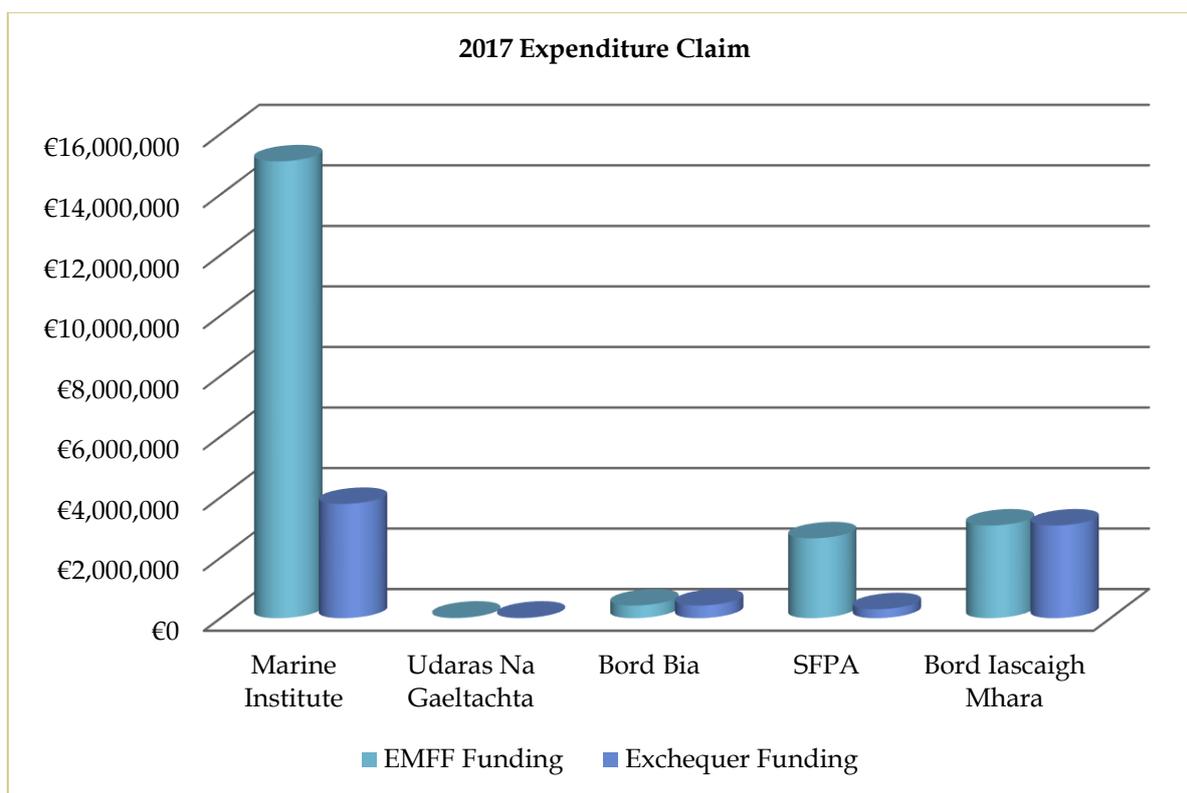
#### Expenditure in 2017

Scheme Name	Total Expenditure
Sustainable Fisheries Scheme	€2,656,152
New Fishermen Scheme	€55,800
Marine Biodiversity Scheme	€1,160,275
Inshore Fisheries Conservation Scheme	€472,774
Fishery Harbour Scheme	0

<b><i>Total UP 1 - Fisheries</i></b>	<b>€4,345,001</b>
Sustainable Aquaculture Scheme	€1,478,689
Knowledge Gateway Scheme	€1,462,582
<b><i>Total UP2 - Aquaculture</i></b>	<b>€2,941,271</b>
Control & Enforcement Scheme	€4,191,203
Data Collection Scheme	€7,894,000
<b><i>Total UP3 - Common Fisheries Policy</i></b>	<b>€12,085,203</b>
Fisheries Local Area Development Scheme	€1,774,563
<b><i>Total UP4 - FLAG</i></b>	<b>€1,774,563</b>
Producer Organisation Scheme	€520,870
Seafood Promotion Scheme	€917,790
Seafood Processing Capital Investment Scheme	€2,015,503
Seafood Scaling and New Market Development Scheme	€337,862
Seafood Innovation and Business Planning Scheme	€1,447,032
<b><i>Total UP5 - Processing &amp; Marketing</i></b>	<b>€5,239,057</b>
Blue Growth and Marine Spatial Planning Scheme	€136,554
<b><i>Total UP6 - Integrated Maritime Policy</i></b>	<b>€136,554</b>
Technical Assistance	€1,098,995
<b>GRAND TOTAL</b>	<b>€27,620,644</b>

### 2017 Expenditure Claim submitted to EU

<b>Scheme</b>	<b>Total Investment</b>	<b>Grant Aid</b>	<b>EU</b>	<b>National</b>
Data Collection	€18,864,659	€18,864,659	€15,091,727	€3,772,932
Sustainable Aquaculture Scheme	€76,159	€30,453	€15,227	€15,227
Seafood Promotion	€833,000	€833,000	€416,500	€416,500
Control & Enforcement	€2,928,688	€2,928,688	€2,635,819	€292,869
BIM Various Schemes	€14,754,660	€6,118,981	€3,059,491	€3,059,491
<b>TOTAL</b>	<b>€37,457,166</b>	<b>€28,775,781</b>	<b>€21,218,764</b>	<b>€7,557,019</b>



### 3.1 - Union Priority 1- Sustainable Development of Fisheries

In 2017, some €4,345,001 was invested in 160 projects across 4 schemes supporting activities in a wide range of areas, including:

- Developing more selective fishing gear and methods,
- Marine science and data,
- On-board investment in health and safety hygiene, quality, selective gear, energy efficiency and value adding,
- Adaptation to the Landing Obligation.
- Advisory services to the fishing fleet,
- Fostering adaptation to the CFP,
- Networking and dissemination of knowledge,
- Recovery of marine litter and management of waste,
- Stock conservation,
- New entrants.

Many projects approved in 2017 for EMFF funding are of a multi-annual nature and will contribute to spend in 2018.

### **Marine Biodiversity Scheme**

In 2017, some €1,160,275 was invested under the Marine Biodiversity Scheme under Union Priority 1.

In 2017, ten new projects were implemented.

Two projects commenced on species restoration and included habitat characterisation and estimation of population size and distribution for crayfish and endangered skate and ray stocks.

Three projects related to mapping of fishing pressure and fishery NATURA interaction. A major project commenced concerning offshore reefs. A three week offshore survey mapped and sampled reef habitats along Ireland's continental slope in 50 locations with the aim of to evaluate status and review requirements for conservation and management measures consistent with the Habitats Directive.

Three projects focused on the assessment and mitigation of aquaculture impacts on NATURA sites. Appropriate Assessment Reports of aquaculture activities from 5 Bays were completed.

Two projects were initiated to support Marine Strategy Framework Directive (MSFD) and biodiversity. Monitoring for marine mammal distribution and abundance was carried out on 9 weeks of the fisheries acoustic survey programme covering the Irish shelf and the Celtic Sea. Research has begun to derive Maximum Sustainable Yield (MSY) reference points on fish species vulnerable to fishing pressure and of ecological significance to improve data availability for MSFD, Good Environmental Status assessment and Common Fisheries Policy MSY targets.

### **New Fishermen Scheme**

There was only one project completed under the New Fishermen Scheme in 2017 with public aid of €55,800.

The poor uptake on this scheme is considered to arise from difficulties accessing credit and also the regulatory exclusion up to now of vessels over 12 metres because of fleet imbalances.

## Sustainable Fisheries Scheme

### Part A - Public Interest Projects:

In 2017, 12 Part A projects implemented by BIM were supported with public aid of €1,159,610.

The EMFF Managing Authority directly approved 12 BIM projects for EMFF funding. These projects were implemented by BIM for the benefit of the sector and for the public good. The projects focused on developing more selective fishing gear and methods, advisory services to the sector, fostering adaptation to the CFP, networking and dissemination of knowledge, recovery of marine litter and management of waste.

### Part B - On Board Investments

In 2017, 65 Part B projects were supported with public aid of €802,093.

Projects supported in 2017 included:

- Selective gears such as square mesh panels and selective cod ends,
- Equipment to improve hygiene, health and working conditions on board such as sanitary facilities and galley facilities for crew,
- Equipment to reduce manual lifting,
- Insulation and ventilation,
- Equipment to improve fuel efficiency including fuel monitoring equipment,
- Gear monitoring equipment and fuel efficient fishing gears,
- Investments that improve fish quality and add value to fishery products on board, such as provision of temperature monitoring systems, weighing and labelling machines and fish handling systems.

The average grant paid in 2017 was €12,339. Of the 65 projects, 32 were for small scale coastal fisheries vessels.

Demand under this scheme was exceptionally strong in 2017. While 65 projects were completed and paid, some 119 projects were actually approved for grants worth €2.5 million. This strong project pipeline will contribute to spend in 2018.

### Sustainable Fisheries Scheme Part B – 2017 Expenditure

Description	Number of Projects	Eligible Cost	National	EU
Hygiene, health and working conditions and on board waste management	9	€310,939	€67,676	€67,676
Adding value to fishery products	4	€79,966	€16,628	€16,628
Investments on board that improve quality	29	€1,047,988	€219,794	€219,794
Environmentally friendly fishing gear	21	€379,025	€86,379	€86,379
Promotion of energy efficiency and the mitigation of climate change	2	€31,350	€10,570	€10,570
	<b>65</b>	<b>€1,849,268</b>	<b>€401,047</b>	<b>€401,047</b>

### Part C - Promoting Quality and Added Value Onshore

In 2017, six projects received public aid of €694,449.

Four of these projects were infrastructure improvement projects which aim to assist fishermen and onshore businesses to meet the challenges of the landing obligation. The main elements of the projects are provision of cold storage facilities and associated handling equipment for the storage of unwanted catches.

### Inshore Fisheries Conservation Scheme

In 2017, 66 projects were supported with public aid of €472,774.

The Managing Authority directly approved grants of €100,564 to BIM to undertake 3 projects for the benefit of the sector. These projects supported networking in the Inshore Fisheries sector, funded the development of a strategy for the inshore fisheries sector and provided advisory services to the sector.

Some 63 projects concerning v-notching of lobsters received support of €372,209.

## Fishery Harbours Scheme

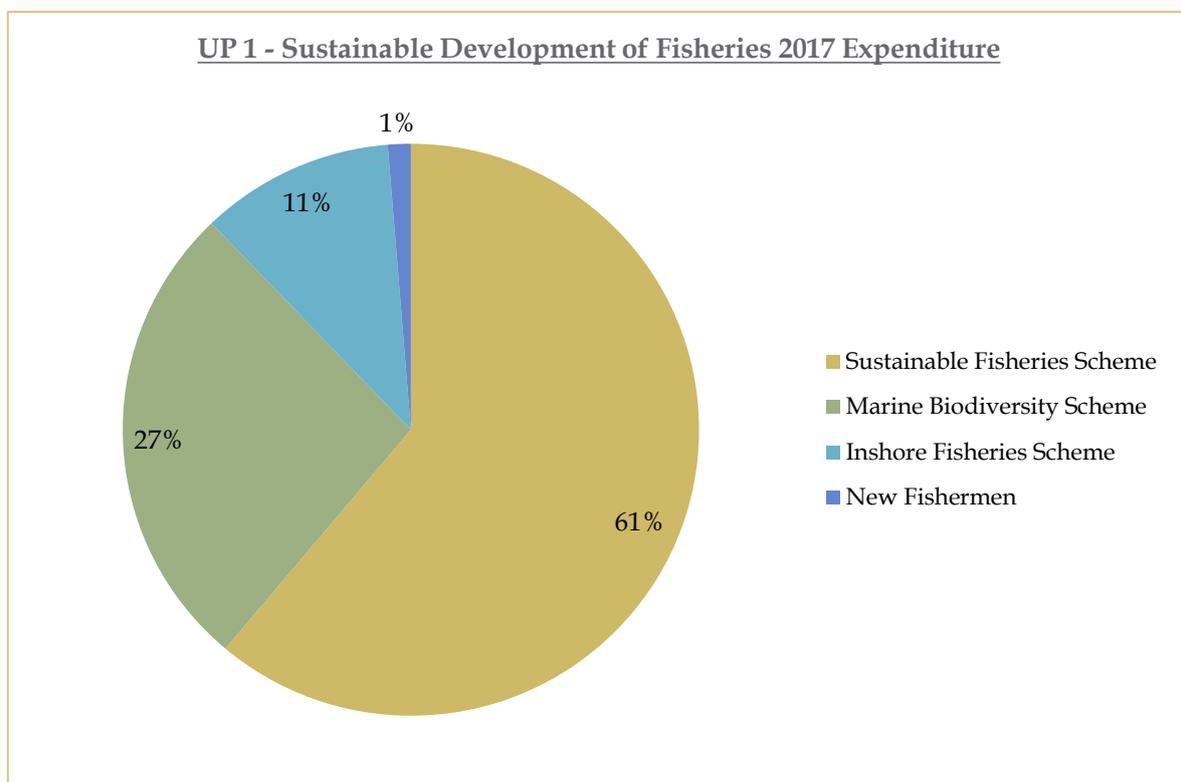
There was no expenditure under this scheme in 2017.

A targeted call for projects was issued by the Managing Authority on 24 November 2017 for improvement of the infrastructure of National Fishery Harbour Centres for purposes specified in the call for proposals. On 15 December 2017, some 5 project applications were received seeking EMFF funding of €10.9 million. The projects were being considered by the Managing Authority at the end of 2017.

### UP1 - Total Expenditure in 2017

Scheme	Total Expenditure
Marine Biodiversity Scheme	€1,160,275
New Fishermen	€55,800
Sustainable Fisheries Scheme	€2,656,152
Inshore Fisheries Scheme	€472,774
<b>Total UP 1 - Fisheries</b>	<b>€4,345,001</b>

### UP 1 - Sustainable Development of Fisheries 2017 Expenditure



## **3.2 - Union Priority 2 - Sustainable Development of Aquaculture**

In 2017, the EMFF Programme invested €2,941,271 in support of 38 aquaculture projects through two support schemes. This investment was evenly split between supports for capital investment and for innovation/research/advice. There was good interest in capital investment, particularly for oyster farming, and the level of grant awards is not fully reflected in the final spend for the year as some large projects will draw down funds in 2018. Changes to the support structure for innovation projects proved positive and attracted strong interest from the research sector, which again involved multi-annual projects that will contribute to spend in 2018 and later years.

### **Knowledge Gateway Scheme**

In 2017, some 15 projects were supported with public aid of €1,462,582.

The Managing Authority directly approved 12 projects to be undertaken by BIM for the benefit of the sector and for the public good. Some 8 of these projects concerned innovation/research, while 4 projects were of an advisory services nature. The innovation projects included technical development of seaweed cultivation and integrated multi-trophic aquaculture, developing hatchery techniques for scallop and native oyster, improving the depuration process for shellfish, and a number of disease management projects.

Five projects from third level research institutions and industry were approved for funding of approximately €917,000 in 2017. These are multi-annual projects and so will contribute to spend in 2018 and later years. These projects concern integrated multi-trophic aquaculture, development of products from seaweed, environmental management in connection with the WFD, animal husbandry and developing techniques for production of native oysters.

### **Sustainable Aquaculture Scheme**

In 2017, some 23 aquaculture capital development projects were supported with public aid of €1,478,689.

Some 15 of the projects concerned capital investment in oyster production, while 5 concerned capital investment in mussel production, 2 were for higher value capital investment in salmon production and 1 related to organic certification of mussels.

Oysters are enjoying a particularly high price point at present and that is reflected in the number of oyster projects being undertaken. It is also likely that 2017 saw the release of some pent-up demand for investment in oysters as licences in Donegal were renewed in late 2016, leading to projects for funding in 2017.

### UP 2 – Total Expenditure in 2017

Scheme	Total Expenditure
Knowledge Gateway Scheme	€1,462,582
Sustainable Aquaculture Scheme	€1,478,689
<b>Total UP2 – Aquaculture</b>	<b>€2,941,271</b>

## 3.3 - Union Priority 3 – Implementing the CFP - (Data Collection and Enforcement)

### Control and Enforcement Scheme

In 2017, investment in control and enforcement was €4,191,203.

The Sea Fisheries Protection Authority invested €1,754,817 of EMFF funds in 2017. The Managing Authority directly approved 5 SFPA projects in 2017 for EMFF funding of €3,718,287. These projects were:

- ERS Enhancements
- Audit Assessment
- Sales Notes and FLUX
- Weighing Official Control Systems
- Technical Assistance

These 5 projects are multi-annual in nature and will contribute to spend in 2018 and later years. Further investment projects by the SFPA will be approved in 2018.

The Department of Agriculture Food and the Marine invested €2,436,386 in EMFF funds in 2017. Work in 2017 completed a €5.6 million project commenced in 2015 concerning development of an Integrated Fisheries Information System and Electronic Reporting Systems. This work represented phase 1 of a larger project to modernise the information systems of the control authorities.

### Data Collection Scheme

In 2017, some €7,894,000 was invested by the Marine Institute in Data Collection.

Biological data was collected at sea on board commercial and research vessels and in fishing ports around the coast as part of the ports based sampling. Some 111 at sea trips were

completed. In addition, 94 inshore shellfish observer trips were completed. A total of 305 port sampling trips were completed for demersal stocks. The at sea and port based sampling programme amounted to €410,000 in 2017 excluding staff costs.

In 2017, a biological sampling programme for the diadromous species salmon and eel was carried out and included surveys in the freshwater, trap returns and the national coded wire tag programme at a cost of €58,000.

Nine internationally coordinated off shore research surveys at sea were completed in 2017. Survey data is used to provide fisheries independent data for stock assessment for blue whiting, NW and Celtic Sea herring, boarfish, mackerel, horse mackerel, nephrops, anglerfish, megrim, and mixed demersal fish stocks, comprising €4,152,000 of the data collection budget for 2017.

Twelve inshore shellfish surveys had a cost of €61,600 and provided data for oyster, cockle, and razorfish.

The economic situation of the aquaculture and processing industry sectors was evaluated through the collection of census data, economic sample surveys and audited accounts from the Companies Registration Office (CRO).

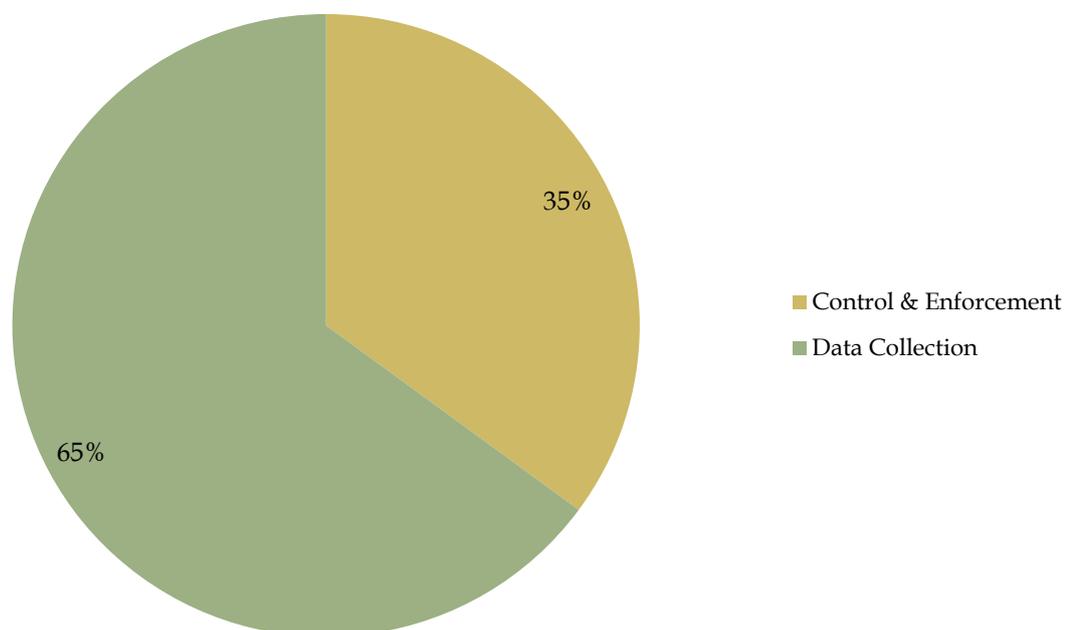
International coordination of fisheries data collection and analysis was achieved through the participation at and contribution to 52 ICES and EU scientific expert groups directly related to the DCF with a cost of €109,000 for 2017.

Staff costs to implement the DCF in 2017 were €2,962,000.

### **UP 3 - Total Expenditure Declared by beneficiaries in 2017**

<b>Scheme</b>	<b>Total Expenditure</b>
Control & Enforcement	€4,191,203
Data Collection	€7,894,000
<b>Total UP3 - Common Fisheries Policy</b>	<b>€12,085,203</b>

### UP 3 - Implementing the CFP



## **3.4 - Union Priority 4 – Sustainable Development of Fisheries and Aquaculture Areas**

### **Fisheries Local Area Development Scheme**

In 2017, the 7 FLAGs paid out public aid of €1,774,562.97 to 133 projects.

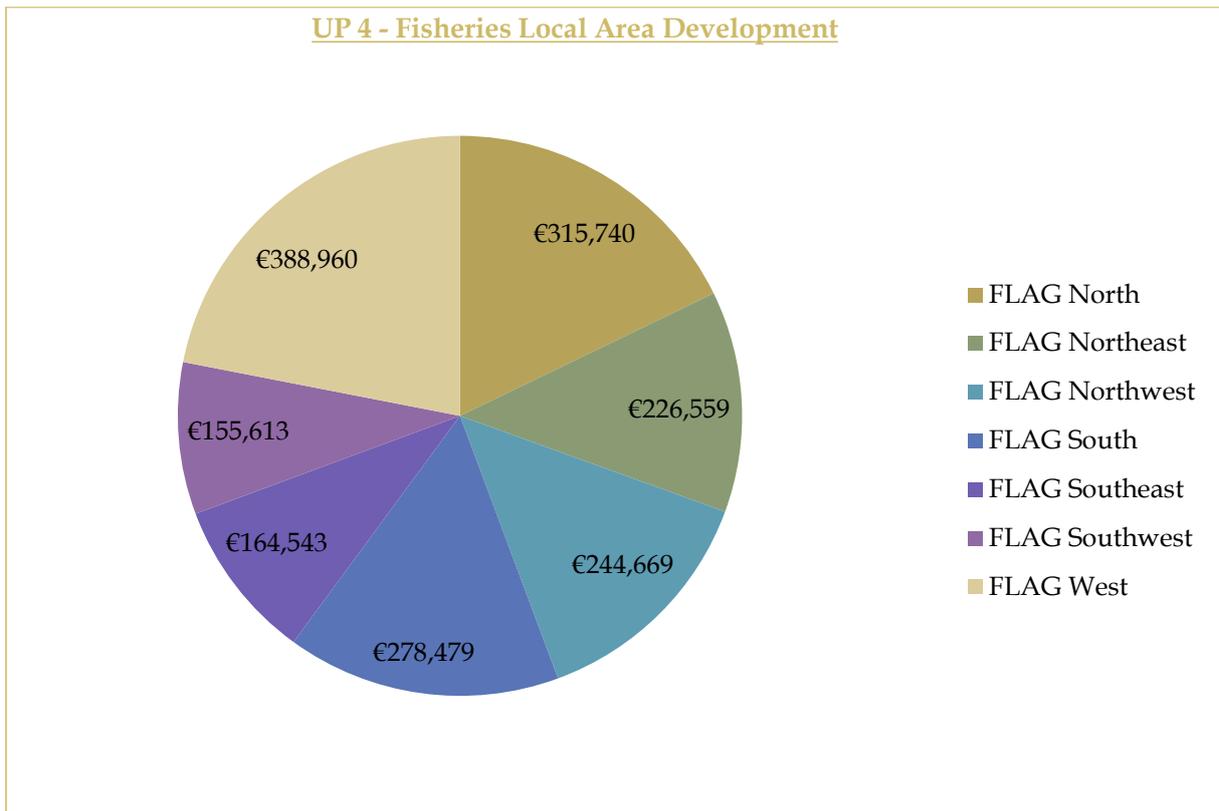
The newly selected 7 FLAGs initiated their first call for proposals in the first few months of 2017. Over 200 project applications were received over the course 2017, with 153 finally selected for grant approval. While payments were made to 133 projects, other approved projects will be completed in 2018 and will contribute to the 2018 spend.

Successful FLAG projects focussed on the economic development of coastal areas, marine tourism, seafood development, developing skills and local knowledge, training and education, promoting social wellbeing and cultural heritage, and protecting and promoting the environment.

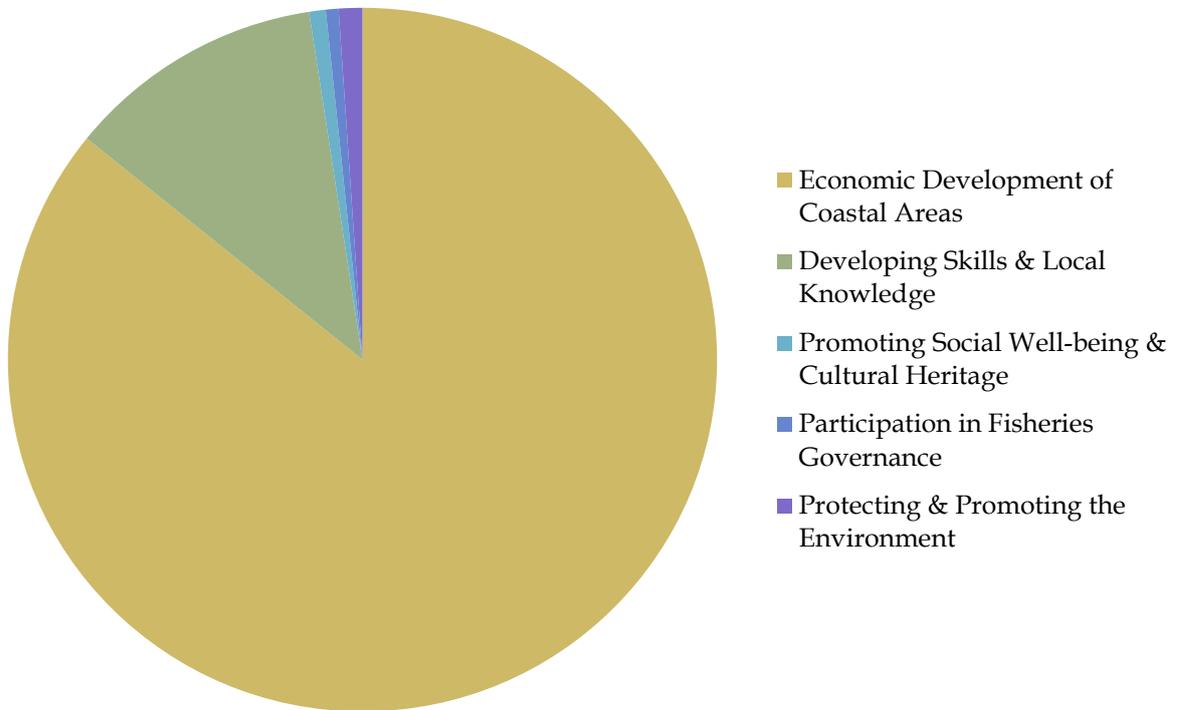
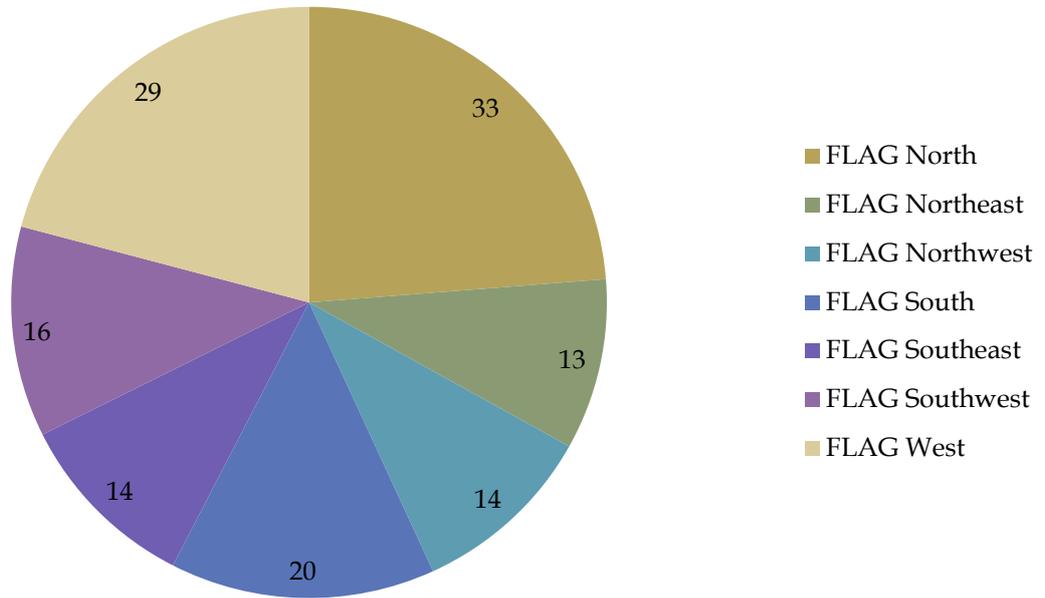
### FLAG Projects Paid

FLAGS	Total Investment	Grant Aid	EU Contribution
North	515,620.17	315,739.69	157,869.81
Northeast	444,350.02	226,559.10	113,279.53
Northwest	338,532.31	244,669.47	122,334.72
South	486,753.11	278,478.69	139,239.32
Southeast	242,390.88	164,543.08	82,271.53
Southwest	240,051.54	155,612.83	77,806.41
West	756,963.85	388,960.11	194,480.04
<b>Total UP4 - FLAGS</b>	<b>3,024,661.88</b>	<b>1,774,562.97</b>	<b>887,281.36</b>

### UP 4 - Fisheries Local Area Development



Total Projects Funded in 2017



FLAG Projects by Theme

### 3.5 - Union Priority 5 – Marketing and Processing

In 2017, the EMFF Programme supported 62 projects with grant aid of €5,239,057 through 5 support schemes. These investments supported a broad range of activities, including:

- Promotion of seafood
- Capital investment in seafood enterprises to support value-adding investments
- Advisory services to seafood processing SMEs on innovation, new product and packaging development, business planning, energy efficiency and seafood processing technologies.
- Development of route to market structures,
- Market development,
- Consumer and market research,
- Innovation and development of new seafood and seaweed products and packaging,
- Development of processing technologies and techniques.

#### Seafood Promotion Scheme

In 2017, Bord Bia invested some €917,790 of EMFF funds under its approved 2017 work programme.

The Bord Bia 2017 EMFF Work Programme contributed to funding its international trade exhibition programme for seafood, which comprised a Bord Bia Ireland Pavilion at the following 7 international trade shows:

- Biofach, Nuremburg
- Boston Seafood Show, Boston
- SEG, Brussels
- Speciality & Fine Foods Show, London
- Conxemar, Vigo
- Tokyo Seafood Show
- China Fisheries Show, Qingdao

A total of 59 of Irelands leading seafood processors from the pelagic, shellfish, salmon and added value seafood sectors participated across these 7 international seafood shows under the Bord Bia Ireland Pavilion.

The value of seafood exports increased by 9% in 2017 to reach an export value of €614 million, with a 15% increase in export volumes.

## **Producer Organisation Scheme**

In 2017, 7 projects were supported with public aid of €520,870 based on eligible expenditure of €916,780.

Four claims were received from the Producer Organisations in relation to expenditure incurred in 2016. The remaining 3 projects related to balancing payments from previous claims previously received.

Under the scheme support is provided only for measures identified in the approved Production and Marketing Plans. Nine specific measures were specified and relate to the preparation and production of marketing plans and annual reports, attendance at specified meetings, dissemination of knowledge and advisory services, support for all other identified measures in the Production and Marketing Plans provided they have not been supported under another EMFF scheme and capital and indirect costs. The measure covering fish stock surveys/trials was not relevant for the 2017 period. The grant aid rates involved a mixture of fixed maximum assistance or a 65% grant aid rate. However, a 1% rate was applied for all other measures.

Expenditure related to direct staff costs incurred to implement the above. Other typical costs incurred involved the engagement of consultants to assist in the preparation of the Marketing Plans and Activity Reports. Capital items mainly involved upgrading of computer software and equipment.

## **Seafood Innovation and Business Planning Scheme**

In 2017, 31 innovation and business planning projects were supported with total public aid of €1,447,032.

Sixteen projects from processing enterprises were supported with public aid of €160,372. These projects included a broad range of new product development and product enhancement projects related to fish and seaweed and seafood derivative products, consumer and market testing, market feasibility studies, and business planning.

Bord Iascaigh Mhara undertook 15 innovation projects for the benefit of the sector at a cost of €1,286,660. These projects included studies on production of formed bait for Irish pot fisheries, development of ingredient products from lower value mussels, extending shelf-life of whitefish along the supply-chain through super-chilling, developing ingredient products from pelagic blood water, investigating technologies to support standardisation of grading of crabs and prawns, together with advisory services to industry on innovation, new product and packaging development, and seafood processing technology.

## Seafood Scaling and New Market Development Scheme

In 2017, 6 projects were supported with public aid of €337,862.14.

Two projects involved collectives, each of 3 unrelated processing enterprises, combining to invest in marketing costs to develop markets in Asia, including retention of the services of a native In-Market consultant. These two projects accounted for EMFF grants of €112,719.

Bord Iascaigh Mhara undertook 4 scaling and market development projects for the benefit of the sector at a cost of €225,143. These projects concerned, development of route to market structures, consumer research, raw material supply, cost efficiencies and cooperation on new technologies.

## Seafood Processing Capital Investment Scheme

In 2017, 17 capital investment projects were supported with public aid of €2,015,503, leveraging a total investment of €7,331,611 in the seafood processing sector.

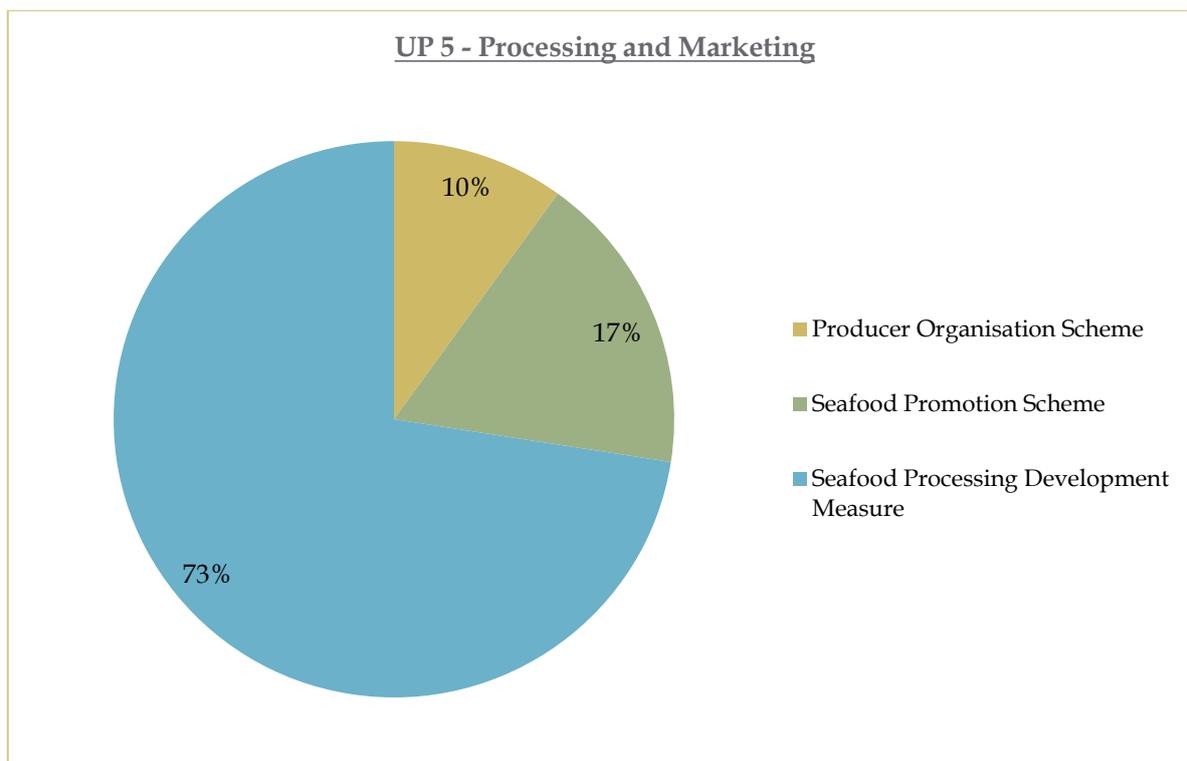
There were 8 fresh whitefish / salmon value added projects, 3 smoked salmon/trout projects, 3 shellfish projects, 2 pelagic, and 1 seaweed project. Of these 17 projects, 15 were projects approved and completed in 2017. Two of the projects had been approved in 2016 but were not completed until 2017.

The average grant per project is circa 27%. A rate of 30% is allowed for value adding secondary processing equipment, while 15% is allowed for other eligible investments. The majority of investments in 2017 related to value adding equipment.

In general, the 8 projects related to fresh whitefish / salmon processing typically involved expenditure on state of the art seafood processing equipment, including fish filleting portioning and packing lines. Shellfish projects typically included cookers, graders and freezing equipment. The two pelagic projects related to equipment for processing blue whiting into protein to be supplied into the global food ingredients industry. Salmon and trout smoking operations invested in a mix of seafood smoking equipment. Buildings and ancillary equipment formed the expenditure for the one seaweed project.

### UP 5 - Total Expenditure Declared by beneficiaries in 2017

Scheme Name	Total Expenditure
Seafood Promotion Scheme	€917,790
Producer Organisation Scheme	€520,870
Seafood Processing Development Measure	€3,800,397
<b>Total UP5 - Processing &amp; Marketing</b>	<b>€5,239,057</b>



### 3.6 - Union Priority 6 – Implementation of the IMP (EU) Integrated Maritime Policy

#### Blue Growth & Marine Spatial Planning Scheme

In 2017, 9 projects were supported with public aid of €136,554.

The Marine Institute is tasked by Government with providing critical information to support the development and implementation of a marine spatial plan for Ireland. In 2017, the Managing Authority directly approved 9 marine spatial planning projects from the Marine Institute for EMFF funding of €2.9 million. These multi-annual projects will contribute to spend in 2018 and later years.

#### UP 6- Total Expenditure in 2017

Scheme Name	Total Expenditure
Blue Growth and Marine Spatial Planning	€136,554
<b>Total UP6 - Integrated Maritime Policy</b>	<b>€136,554</b>

### **3.7 - Union Priority 7 – Technical Assistance**

In 2017, total EMFF expenditure on Technical Assistance amounted to €1,098,994.

Technical Assistance supported the costs to State agencies of additional resources to implement EMFF schemes and to project manage EMFF projects, including contracted staff resources, which accounted for most of the costs, and project management consultancy. It supported consultancy studies to inform EMFF scheme implementation and implementation of the National Strategic Plan for Sustainable Aquaculture Development, including a review of the aquaculture licensing process. It supported the administration and animation of FLAGs, information and publicity measures, EMFF training and the costs of the Monitoring Committee.

### **4. - Issues affecting the performance of the programme**

There were many positives about the performance of the Programme in 2017, including the very successful first year of grants under the FLAG scheme, strong interest in EMFF funding of innovation and research projects across all areas, a notable increase in capital investment in aquaculture as more sites are licensed, and the development of a strong project pipeline across all areas of the Programme.

However, there were also issues that may, without corrective action, negatively affect the performance of the Programme. The most significant of these was the lower than anticipated spend under the Programme in 2017, compared to the available budget. This is mostly, but not exclusively, accounted for by a lower than anticipated spend by BIM for support schemes for the aquaculture, fisheries and processing sectors. Some €26 million was available to BIM for investment under a range of schemes, but final spend for 2017 was only €13 million approximately. While this was a significant increase on 2016, there is nevertheless an impact from the two successive years of lower than anticipated spend. The risk of particular measures making full use of their allocated Programme budgets is increased and it may prove necessary to reallocate funds to better performing measures. The positive project pipeline apparent from multi-annual commitments promises increasing spend in 2018 and later years, though this may not be enough to make up for 2016/17. This issue is being closely monitored by the Managing Authority.

There continued to be delays in launching the Seafood Training Scheme and Seafood Capacity Building Scheme, approved by the Monitoring Committee in December 2016. This delay contributes to the aforementioned lower than anticipated spending levels and to the range of supports envisaged under the Programme. The launch by BIM of the Seafood Training Scheme is imminent, while the Seafood Capacity Building Scheme is also anticipated in the first half of 2018.

The Decommissioning Scheme proposed under the Programme did not proceed as planned because of the negative recommendations of consultants Grant Thornton in the Cost Benefit Analysis. This Scheme was allocated a budget of €16 million and it is now necessary to reallocate this. The budget is to be reallocated to the Fishery Harbour Scheme, the Seafood Promotion Scheme and Technical Assistance.

The cancellation of the Decommissioning Scheme impacts significantly on the Performance Framework Targets for Union Priority 1. A Programme modification is proposed to substitute targets that reflect the reduced UP1 allocation and measures that now best reflect spending patterns under UP1.

## 5. - Financial instruments

Financial Instruments were not used under the Programme in 2017.

In 2017, in a joint exercise with the Rural Development Programme Managing Authority, *Indecon International Economic Consultants* were commissioned to carry out the detailed evaluation of the case for use of financial instruments in the agriculture and seafood sectors in Ireland, in accordance with article 37 of the Common Provisions Regulation (1303/2013) and related guidance documents. For the seafood sector, the report focussed on capital investments in aquaculture and seafood processing.

The Report concluded that there is evidence of higher interest rates faced by enterprises in the agricultural and seafood sectors relative to those charged to enterprises in other sectors of the Irish economy. Irish enterprises in these sectors also face higher interest rates relative to the prevailing rates in other EU Member States. Survey evidence suggests that a significant reason for banks refusing loan applications was a lack of borrower credit history. This represents an information asymmetry between the potential borrower and the lender. The absence of sufficient collateral by SMEs in the agri. and seafood sectors is likely to impact on the willingness of institutions to lend to these enterprises.

The report recommended that the Managing Authorities for the two funds should introduce a Financial Instrument for the agricultural and seafood sectors involving partial loan guarantees and interest subsidies. The FI should be established based on a combination of funding from the EAFRD and the EMFF. Without combining the funding sources, the report concluded that a FI for the seafood sector would not reach a sufficient scale to justify the introduction of a standalone FI and would be an unviable instrument.

The two Managing Authorities published the Ex-ante Assessment Report for public consultation. The outcome of that consultation and the recommendations of the Report are still being considered.

## 6. - Promotion of the EMFF Programme

### Managing Authority Information and Publicity Actions

In 2017 the EMFF Managing Authority availed of two major stakeholder events to promote the opportunities available and provide information on the EMFF OP 2014-2020. This promotion involved a dedicated EMFF OP stand at these events, with a specially commissioned EMFF OP backdrop, manned by EMFF Managing Authority staff. The EMFF OP document and a specially published EMFF OP Summary Booklet were made available, together with a variety of promotional items with the EMFF Logo. Managing Authority staff fielded questions and inquiries from stakeholders on the OP and its constituent schemes.

The **Skipper Expo International**, Galway 2017, is Ireland's flagship seafood show and attracts large numbers of exhibitors and visitors. The expo, which is held annually in Galway on the Western Irish seaboard, is the premier event for stakeholders to make valuable contacts and explore areas for cooperation, share information and good practices, promote and identify interesting project ideas, as well as funding opportunities and partnerships for their projects. The EMFF Managing Authority operated an information stand at the event which promoted the EMFF OP 2014-2020 and provided information to interested parties. BIM also maintained a separate stand at which it provided information on EMFF schemes and assistance on the application process.

The Annual **SeaFest** event showcases Ireland's abundant maritime resources by raising awareness of the value and opportunities provided by the sea and also celebrating our proud maritime heritage. SeaFest is a key part of *Harnessing Our Ocean Wealth: An Integrated Marine Plan for Ireland (HOOW)* and its goal of increasing participation and engagement with the sea. The EMFF Managing Authority operated an information stand at the event which promoted the EMFF OP 2014-2020 and provided information to interested parties.

The **EU Flag** is prominently displayed at the premises of the EMFF OP Managing Authority at the National Seafood Centre, Clonakilty, Co. Cork

In 2017, the EMFF Managing Authority continued to maintain its dedicated **EMFF website**, which provides a range of useful information for stakeholders on the EMFF OP 2014-2020. The website can be found at the following link: [www.agriculture.gov.ie/emff](http://www.agriculture.gov.ie/emff). The website provides access to the Programme document, details of and links to schemes, selection criteria, National Eligibility Rules, list of beneficiaries, contact details, documents relating to the Monitoring Committee and documents relating to the development of the Programme.

**Press releases** were issued throughout 2017 to highlight particular noteworthy EMFF activities. These were as follows:

### *Minister Creed launches Local Development Strategies for seven Fisheries Local Action Groups*

- (<https://www.agriculture.gov.ie/press/pressreleases/2017/february/title,105442,en.html>)

### *€1.8 million EMFF Grants to Seafood Processing and Aquaculture Sectors - Creed*

- (<https://www.agriculture.gov.ie/press/pressreleases/2017/march/title,106091,en.html>)

### *€1.3m In Seafood Grant Awards To 19 Seafood Companies - Creed*

- (<https://www.agriculture.gov.ie/press/pressreleases/2017/may/title,107360,en.html>)

### *Minister Creed Announces 153 Successful Projects worth €3.6 million under EMFF Fisheries Local Action Group Scheme*

- (<https://www.agriculture.gov.ie/press/pressreleases/2017/june/title,108619,en.html>)

### *Creed announces grant awards of €3.1 million to 13 seafood companies driving total investment of €6.7m in 2017*

- (<https://www.agriculture.gov.ie/press/pressreleases/2017/july/title,110515,en.html>)

### *€1.6m in EMFF Grant Awards for Aquaculture Investment and Research - Creed*

- (<https://www.agriculture.gov.ie/press/pressreleases/2017/september/title,111270,en.html>)

### *Minister Creed Announces Public Consultation on Possible Role of Financial Instruments Under the RDP and the EMFF OP*

- (<https://www.agriculture.gov.ie/press/pressreleases/2017/september/title,111434,en.html>)

## **BIM Information & Publicity Actions**

As the primary intermediate body for the EMFF Programme, BIM has been designated tasks by the EMFF Managing Authority to ensure that Programme's objectives and funding opportunities offered by the EMFF are disseminated widely to potential beneficiaries and all interested parties.

BIM maintains a dedicated **EMFF Scheme website** (<http://www.bim.ie/schemes/>) where it provides summary information on each scheme, and access to scheme brochure documents, application forms and key contacts.

In administering EMFF grant schemes, BIM requires as part of the letter of offer that **beneficiaries acknowledge the EMFF funding** received in a number of ways. Where they have a company website, they must acknowledge the EMFF aid in an appropriate section of the website. Where they have business premises, they must display in a public place (such as reception area) an A4 sized poster to a specified format acknowledging the EMFF aid. Some examples are as follows (scroll down at link to see acknowledgement):

- (<http://www.biomarine.ie>)
- (<http://keohaneseafoods.ie/>)
- (<http://sofrimar.ie/quality/product-innovation/>)
- (<http://www.rockabill.ie/news/>)
- (<http://www.goodfish.ie/about-us/>)

BIM stages a range of **stakeholder conferences**, workshops and other events, many of these funded through the EMFF. Engendering the greatest possible level of stakeholder and public awareness of the key policy objectives underpinning the EMFF and the CFP is essential if these objectives are to be accepted by local communities and civil society. In turn generating an adequate level of acceptance is equally important so as to create the circumstances to allow the necessary change management processes to occur and be successful. With EMFF funding, BIM hosted the *National Seafood Conference* in 2017 and staged a major participation in *Seafest 2017* and the *Skipper Expo*. These events helped foster social dialogue through education and the dissemination of information via modern interactive techniques and technologies concerning the fisheries sector and the actions and interventions being taken, with the support of the EMFF, to enhance environmental sustainability, lessen impact on marine ecosystems, promote social cohesion and stimulate innovation.

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