



## EMFF OP 2014-2020

### Implementation plan Sustainable Aquaculture Scheme

<b>Operational Programme</b>	EMFF Operational Programme 2014-2020
<b>Priority</b>	Union Priority 2 Sustainable Aquaculture
<b>Thematic Objective</b>	<ul style="list-style-type: none"> <li>▪ TO 3 enhancing the competitiveness of small and medium-sized enterprises.</li> <li>▪ TO 6 - Preserving and protecting the environment and promoting resource efficiency</li> </ul>
<b>Specific Objective</b>	<ul style="list-style-type: none"> <li>▪ SO2 - Enhancement of the competitiveness and viability of aquaculture enterprises, including improvement of safety or working conditions, in particular of SMEs.</li> <li>▪ SO3 - Protection and restoration of aquatic biodiversity and enhancement of ecosystems related to aquaculture and promotion of resource efficient aquaculture.</li> <li>▪ SO4 - Promotion of aquaculture having a high level of environmental protection, and the promotion of animal health and welfare and of public health and safety.</li> </ul>
<b>Scheme</b>	Sustainable Aquaculture Scheme
<b>EMFF Certifying Body</b>	Finance Division, Dept. Of Agriculture, Food & the Marine.
<b>Managing Authority</b>	Marine Agencies & Programmes Division, Dept Of Agriculture, Food and Marine
<b>Intermediate Body</b>	Bord Iascaigh Mhara (BIM), Údarás na Gaeltachta (Productive Capacity Building only)
<b>Grant Rate</b>	Up to 50% (Industry projects) Up to 100% (Public projects)
<b>EU Co-Financing Rate</b>	Maximum 50%
<b>Legal Basis</b>	Articles 48, 52, 53 and 55 EMFF

All supports to the aquaculture sector under the EMFF OP will be confined strictly to aquaculture enterprises that are fully compliant with the terms and conditions of their aquaculture and foreshore licences. Supports under the EMFF OP for productive investments in aquaculture will be available only to sites that are fully licensed in compliance with the Habitats and Birds Directives.

## 1. Objective of Intervention

In accordance with the Strategy for Sustainable Development of Aquaculture specified in section 3.1 of the EMFF OP, the objective of this Scheme is to promote the sustainable growth of output, value and employment in the aquaculture sector. The OP Strategy identifies that this objective will be promoted through supports for sustainably increasing the productive output of aquaculture

enterprises, supporting new aquaculture enterprises entering the sector, scaling up of aquaculture enterprises to improve their competitiveness and efficiency, diversification into new species, more farming of underutilised species and promotion of organic aquaculture. Particular attention will also be given to the diversification of aquaculture towards methods with significant commercial output.

The National Strategic Plan for Sustainable Aquaculture Development proposes the following actions which are relevant to this Scheme and may be progressed with support from this Scheme.

Action No.	Description
1	Build capacity and scale in the industry
2	Dedicated supports to new entrants to the sector
3	Promote organic aquaculture practices and certification
4	Aid shellfish producers affected by major biotoxin episodes

## 2. Definitions

For the purposes of this document;

**‘Board’:** refers to the ‘Project Approvals Board’ (PAB) comprised of representatives of the Managing Authority (chair), BIM, Údarás na Gaeltachta, Marine Institute and Bord Bia.

**‘IMTA’** means Integrated Multi-trophic Aquaculture, a planned, consolidated system farming species on different trophic levels on the same or connected aquaculture sites or facilities.

**‘New Aquaculture Farmer’** means a new entrant to the sector who has never previously held an aquaculture licence, either in their own name or as the director or owner of another business.

**‘RAS’** means a Recirculating Aquaculture System, an aquaculture farming system where water is recirculated and exchange is limited and waste products are required to be removed by filtration and /or biofilters.

## 3. Description of Intervention

The Sustainable Aquaculture Scheme, to be administered by Bord Iascaigh Mhara (BIM), aims to achieve the above objective by providing supports for the following project types.

Project Type 1	Organic Aquaculture	Article 53
Project Type 2	Biotoxin Harvest Suspension	Article 55
Project Type 3	Productive Capacity Building	Article 48 & 52

BIM will launch competitive calls for projects, as appropriate. These will be open to licensed aquaculture enterprises, and will support relevant projects that align with the EMFF OP objectives outlined in section 1.

### **Project Type 1: Organic Aquaculture**

There are recognised competitive and biodiversity benefits of organic aquaculture. These projects will support efforts to encourage conventional producers to move to organic production and participate in EU eco-management and audit schemes by providing assistance towards third party fees for organic certification and additional costs of participating in these schemes.

### **Projects Type 2: Biotoxin Harvesting Suspension**

Suspension for public health reasons of harvesting of molluscs during periods of raised biotoxin levels can in some cases lead to lost production and ensuing trading difficulties. Harvesting suspensions for extended periods can be compounded by stock exceeding market size, becoming fouled with marine organisms and losses of stock from over-capacity on long lines. This Scheme may provide limited aid to mollusc farmers affected by closures lasting more than 4 months, to assist those producers in recovery, thus preserving productive capacity and employment.

Aid will be prioritised for operators affected by the longest suspensions and will be limited to a maximum total aid to all farmers of €500,000 per year.

Subject to budget, BIM will administer the Scheme through targeted calls for applications in areas affected by closures lasting more than 4 months. BIM will determine if a call for applications is to be initiated.

### **Projects Type 3: Productive Capacity Building**

Productive capacity building projects will support capital investment by aquaculture enterprises in the range of measures provided for in article 48 of the EMFF Regulation.

These investments will enable enterprises to:

- grow sustainable production, value and employment,
- will encourage the entry into the sector of new aquaculture enterprises and
- will support the evolution of SME enterprises through scaling-up.

The Scheme will prioritise SME enterprises.

New entrants to the sector will be required to provide a business plan and, where the amount of investments is more than EUR 50 000, a feasibility study including an environmental assessment of the operations. Support will be provided to new entrants only where it has been clearly demonstrated in an independent marketing report that good and sustainable market prospects exist for the new entrant's product.

## 4. Eligible Activities

The Scheme supports the following activities:

### **Project Type 1: Organic Aquaculture**

- Assistance towards 3<sup>rd</sup> party fees for Organic Aquaculture Certification Schemes recognised by BIM and additional eligible costs of participating in these schemes as may be specified by BIM in application forms and/or a scheme brochure.

### **Projects Type 2: Biotoxin Harvesting Suspension**

- Compensation for losses suffered by mollusc farmers arising from harvesting suspensions due to toxin-producing plankton that have persisted for more than 4 consecutive months.
- The loss resulting from the suspension must amount to more than 25% of the annual turnover of the business, calculated on the average turnover over the 3 preceding calendar years.

### **Projects Type 3: Productive Capacity Building**

- Purchase and installation of new machinery and equipment and construction of new premises in relation to the following categories of investment:
  - Productive investments in aquaculture;
  - Setting up of sustainable aquaculture enterprises by 'new aquaculture farmers';
  - Diversification of aquaculture production and species cultured;
  - 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 reducing the negative impact or enhancing the positive effects on the environment and increasing resource efficiency;
  - Investments in enhancing the quality of, or in adding value to, aquaculture products;
  - Restoration of existing aquaculture ponds or lagoons through the removal of silt, or investments aimed at the prevention of silt deposits;
  - 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;
  - Promotion of closed aquaculture systems where aquaculture products are farmed in closed recirculation systems, thereby minimising water use;
  - Investments increasing energy efficiency and promoting the conversion of aquaculture enterprises to renewable sources of energy.
- General costs, such as architects' and engineers' fees, and construction insurance costs, up to a ceiling of 10% of the cost of the construction element of the project.

## 5. Support Rates

The Board may award supports as follows:

### **Project Type 1: Organic Aquaculture**

A maximum of €10,000 or 50% (30% for non-SMEs) of eligible expenditure (whichever is the lesser) per project per year.

### **Projects Type 2: Biotoxin Harvesting Suspension**

A maximum of €100,000 or 50% (30% for non-SMEs) of eligible losses (whichever is the lesser) per beneficiary, subject to the maximum total aid to all farmers of €500,000 per year. Individual beneficiaries will be limited to one aid payment over the period of the Programme.

### **Projects Type 3: Productive Capacity Building**

The maximum grants and maximum aid intensities are set out in the table below, with higher aid intensity rates to incentivise investment in seaweed, IMTA and RAS and to incentivise new entrants to the sector. The rates shown are per project. Applicants may submit more than one application in a year provided they relate to different locations. Artificial splitting of projects will not be permitted.

Type 1 (Seaweed, IMTA and RAS) investments include equipment or facilities specific to seaweed aquaculture, IMTA or RAS. Type 2 (other investments) includes any investment in aquaculture equipment or facilities of general aquaculture application, and includes all investments in vessels, engines, vehicles, grading or handling facilities etc.

Where a project involves both Type 1 and Type 2 investments, support will be provided at the relevant maximum aid intensity for each element of the project, subject to the €1,000,000 aid limit.

Category of beneficiary	Maximum support per project	
	Type 1 Seaweed, IMTA and RAS	Type 2 Other investments
New Aquaculture Farmers	€1,000,000 @50%	€1,000,000 @50%
SME Aquaculture Enterprises	€1,000,000 @50%	€1,000,000 @40%

Non-SME Aquaculture Enterprises	€1,000,000 @30%	€1,000,000 @30%
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## 6. Ineligible Expenditure

The following expenditure is ineligible for support.

- Value added tax except, where it is non-recoverable by the beneficiary under law.
- Interest on debt, except in the form of an interest rate subsidy or guarantee fee subsidy.
- Expenditure for the purchase of land and/or buildings and related expenditure.
- Intangible costs (such as cost of pre-financing and of arranging loans and interest, administrative costs, patents, invitations to tender and costs relating to the purchase of a concession to operate fish farming).
- Second hand buildings, plant, machinery, equipment, boats, etc. and any associated installation costs.
- Cost of Housing.
- Repairs and maintenance work as well as the replacement of existing equipment and machinery, except where the replacement involves the purchase of equipment and machinery of another type which is therefore different either in terms of the technology employed or its absolute or hourly capacity. The purchase of new equipment must represent an improvement for the beneficiary and in this context new machinery with a lower capacity is not excluded, provided the new equipment is better suited to the beneficiary's needs.
- Provisional work not directly linked to the implementation of a project except where it makes possible a reduction in overall project cost.
- Landscaping, other embellishment works, except those specifically required as a condition of planning and recreational equipment costs.
- Purchase of vehicles for passenger transport is ineligible as are vehicles required for market distribution.
- Office equipment and furniture.
- The purchase of material which is normally written off within a year.
- Goods purchased under Hire Purchase agreements.
- Goods purchased under leasing agreements.
- Consultancy costs not directly related to the planning, preparation and execution of the project, including costs of management consultancy.

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

## 7. General terms and conditions

### Applicants

- Must hold an up to date aquaculture licence and a foreshore licence (as required) that are in compliance with the Habitats and Birds Directives and be fully compliant with the terms and conditions of those licences.
- Must be viable, and must provide audited accounts, management accounts, and /or such other information as may be required by the Board to confirm such viability.
- Any monies owing to the Department of Agriculture, Food and the Marine or to either of the implementing agencies, must be paid in full before a grant can be paid.
- Applications must be submitted to an implementing agency and acknowledged by an implementing agency before any payments are made to suppliers
- Must have all planning permissions and Bye-Law approvals relevant to the project.
- Must have a current tax clearance certificate
- Must comply with conditions of the letter of offer
- New Aquaculture Farmers must produce a business plan for the development of their aquaculture business and, where the amount of investments is more than €50 000, a feasibility study including an environmental assessment of the operations.

### Projects

- Must be consistent with the objectives of the EMFF OP and the National Strategic Plan for Aquaculture.
- Must represent a cost effective use of investment support funds

## 8. Selection Process

With the exception of BIM Service Projects, all projects will be selected for funding as follows.

Step	Description	Carried Out By
1. Call for applications	Applications invited	BIM and Údarás na Gaeltachta
2. Eligibility Check and evaluation	To ensure compliance and to assess validity	BIM and Údarás na Gaeltachta
3. Assessment	To assess project potential	BIM and Údarás na Gaeltachta
4. Final Project Selection	To select projects for funding and decide support rates and amounts.	Project Approvals Board

5. Grant Offer	Issue of letters of offer awarding EMFF funding.	BIM and Údarás na Gaeltachta
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**Type 1** organic aquaculture projects will be selected for support on the basis of verified eligible costs as may be specified by BIM in application forms and/or a scheme brochure.

**Type 2** Biotoxin Compensation projects will be selected for support, subject to available budget in the year concerned, based on assessment by BIM of the losses incurred related to the biotoxin closure. Support will be restricted to applications from areas the subject of targeted calls for applications from BIM. BIM may specify a template for applications, including a template for assessment of eligible losses. Aid will be prioritised for operators affected by the longest suspensions and will be limited to a maximum total aid to all farmers of €500,000 per year.

**Type 3** Productive capacity building projects will be assessed by BIM and Údarás na Gaeltachta using the Project Assessment Criteria detailed in section 9. Projects must achieve a minimum total score of 15 out of 25 to be considered for support by the Project Approvals Board. In the event that applications for funding exceed the funding available, a minimum total weighted score in excess of 15 may be implemented. The Projects Approvals Board will approve projects for support and determine the support rate and amount to be awarded to each project.

For **BIM Service Projects**, the selection process will entail submission of an Annual Work Programme by BIM to the Managing Authority, which will be approved by the Managing having regard to the objectives of the Scheme. The Annual Work Programme will specify the actions to be undertaken by BIM for the year concerned on behalf of the industry as a whole and the budget required for the year.

## 9. Assessment Scoring Type 3 Projects

The following assessment scoring system will be used by BIM and Údarás na Gaeltachta to assess Project potential for Type 3 Productive Capacity Building Projects.

<b>1. Project Planning/Objectives</b>		
<b>DEFINITION</b>		<b>Score</b>
Rate the level of project planning as follows:-		
Well defined project, consistent with the applicant's business plan. Clear milestones, meets all legal requirements, management and technical resources assigned. Well defined and transparent costing and reasonable timescale. Contingency planning in place. Adequate funding in place to deliver the project.	Outstanding	5
As above but less defined some milestones, management staffing and costing – some room for improvement. Adequate funding in place to deliver the project.	Strong	4
Reasonable project definition. Reasonable attempt at costing. Some level of management responsibility – may require modification. Adequate funding in place to deliver the project.	Reasonable	3
Project not well defined. Costing and value for money unclear. Management and technical resources unclear, timescale unrealistic. Adequate funding is not in place to deliver the project.	Poor	2
Poorly defined in terms of objectives, milestones and cost. Staffing and management very unsatisfactory. Adequate funding is not in place to deliver the project.	Very Weak	1
<b>Comment on the quality of project planning.</b>		
<b>2.Process Capability Assessment</b>		
<b>DEFINITION</b>		<b>Score</b>
Project is in line with the company business plan objectives. Advance market research report completed. Company demonstrates very good marketing capability with strong marketing investment, in line with the requirements of the project.	Outstanding	5
The outcomes of the project are credible and the company demonstrates capability with very clear and verifiable costings	Strong	4
The project is outlined but less clear. The company demonstrates a degree of capability with costings outlined	Satisfactory	3
The project plan is attempted but unclear. The company has necessary resources and costings are reasonable	Poor	2
Company demonstrates weak or no capability to complete project, resources presently do not exist with poor attempt at costings	Very Weak	1

<b>3. Business Promoters Track Record</b>		
<b>DEFINITION</b>		<b>Score</b>
Strong track record in the sector and growing their business. Evidence of commercializing previous projects and increasing sales. Successful track record in terms of Commercial / technical viability. Ability to plan / fund projects	Outstanding	5
As previous but record not as strong.	Strong	4
Reasonable track record in the sector.	Satisfactory	3
Weak track record.	Poor	2
No track record.	Very Weak	1
<b>4. Impact of Funding</b>		
<b>DEFINITION</b>		<b>Score</b>
How essential is the Programme funding to enable the company to undertake the project(s)? and How consistent is the project with National objectives / targets for the sector.		
Project is highly unlikely to proceed without grant aid  And Project directly addresses National development objectives / targets	High	5
Project is unlikely to proceed without grant aid  And / Or  Is generally in line with National development objectives / targets	Medium	3
Grant aid will act as a catalyst in for project implementation and Project is vaguely consistent with National development objectives / targets	Low	1
<b>5. Employment Creation/Maintenance</b>		
<b>DEFINITION</b>		<b>Score</b>
The impact on Employment Creation/Maintenance should be assessed.  Rate as follows:-		
The project will have a significant impact on the creation of new jobs and maintenance of existing employment at a relatively reasonable cost per job		5
The project will contribute to some new job creation and maintenance at a relatively higher cost		4
The project involves minimal new job creation but will underpin the commercial viability of existing employment		3
The project has minimal impact on new job creation or maintenance		0

<b>6. Impact on Sustainability</b>		
<b>DEFINITION</b>		<b>Score</b>
In this context sustainability is viewed as having three components: Environmental, Socio-Economic and Economic. This is in line with the widely accepted Bruntland definition of sustainability.		
The project will have a strongly beneficial effect from a sustainability standpoint.	High	5
The project will have moderately beneficial effect from a sustainability standpoint.	Medium	4
The project will have a modestly beneficial effect from a sustainability standpoint.	Low	3
The project will have no beneficial effect from a sustainability standpoint.		0

## **10. Procedure for dealing with appeals**

BIM may specify a template for appeal of award decisions. Award decisions may be appealed to BIM or Údarás na Gaeltachta as appropriate, who will provide a written explanation for award decisions, in consultation with the chair of the Projects Approvals Board. Following receipt of that explanation, appellants may request that an appeal be considered by the Projects Approvals Board. The Chair of the Board will, through BIM or Údarás na Gaeltachta, provide to the appellant a written decision of the Board.

## **11. Document Retention**

In accordance with Article 140 of the Common Provisions Regulation (EC) 1303/2013, BIM, Údarás na Gaeltachta and final beneficiaries will ensure that all supporting documents regarding expenditure, verification checks, certification and audits on operations for which total eligible expenditure is less than €1,000,000.00 are kept available for the EU Commission and Court of Auditors for a period of three years from 31 December following the submission of the accounts in which the expenditure of the operation is included.

In the case of operations over €1,000,000.00 all supporting documentation shall be kept for a 2 year period from 31 December following the submission of accounts in which the final expenditure of the completed operation is included.

The Managing Authority will inform BIM and Údarás na Gaeltachta of the start date of the period referred to above.

## **12. Monitoring and Reporting arrangements**

BIM and/or Údarás na Gaeltachta will provide periodic updates to the Monitoring Committee on the progress of this Scheme. These updates will form part of the agenda for meetings of the Monitoring Committee.

BIM and Údarás na Gaeltachta will provide information on the implementation of this Scheme to the Managing Authority to contribute to:

- The compilation of the Annual Implementation Report under article 114 of the EMFF Regulation to be transmitted to the Commission by 31 May each year.
- A Common Monitoring and Evaluation System under article 107 of the EMFF Regulation;
- Data on operations selected for funding required to be submitted to the Commission under Article 97(1)(a) of the EMFF Regulation by 31 March each year.

The Managing Authority will annually present information on the implementation of this Scheme to the Monitoring Committee through the Annual Implementation Report, which will be presented for the Committee's approval.

The Managing Authority and/or BIM will maintain a website providing details of this Scheme and its progress.

## **13. Information and Publicity**

The contribution of the Irish exchequer and EMFF 2014-2020, will be acknowledged in all brochures, promotional material, press releases, publicity activity, advertisements, signage, applications forms, annual reports, letters of offer, etc., by use of appropriate logo and text references.

The Managing Authority and BIM will ensure compliance with Annex V of Commission Regulation 508/2014 concerning the provision of information on the Operational Programme and the co-funding provided by the Union.