

UNITED KINGDOM

Title of program

The primary method of direct support for the fishing industry is through the Financial Instrument for Fisheries Guidance (FIFG) scheme.

Objectives of program

The objectives of financial assistance measures as outlined in detail in the European Council Regulation (EC) No. 2792/1999 are to:

- contribute to achieving a sustainable balance between fishery resources and their exploitation;
- strengthen the competitiveness of structures and the development of economically viable enterprise in the sector;
- improve market supply and the value added to fishery and aquaculture products; and
- contribute to revitalising areas dependent on fishing and aquaculture.

The accompanying UK strategic programme objectives are:

- sustainable exploitation of resources
- adoption of an inclusive approach to fisheries management (i.e. managers, scientists and industry working collaboratively);
- support for fisheries dependent communities;
- ensuring an economically viable fishing industry; and
- developing a culture of quality (facilitating traceability and quality control).

Forms of support

With the exception of decommissioning schemes, grants are generally provided in the form of matching contributions. Aid to the fishing industry under FIFG is covered in the following Programmes:

- a single Programme of fisheries aid for the whole of the UK outside Objective 1, with sub-programmes for England, Scotland and Wales; and
- separate Programmes for each Objective 1 area (Cornwall, Merseyside, West Wales & the Valleys) and transitional Objective 1 areas (Highlands & Islands and Northern Ireland).

The grant rates for non-Objective 1 areas, Cornwall and Merseyside are shown in tables 1 to 3 below along with the conditions for financial support. The 'Groups' referred to are explained below.

Table 1. Grant Rates Applicable in non-Objective 1 Areas and Conditions for Levels of Other Types of Funding

Group:	FIFG	Public	Private
1	25%-50% max	Min 50%	nil
2	15% max	Min 5%	Min 60%
3	15% max	Min 5%	Min 60%
4	25%-50% max	Min 5%	Min 30%

Table 2. Grant Rates Applicable in Cornwall and Conditions for Levels of Other Types of Funding

Group:	FIFG	Public	Private
1	50%-75% max	Min 25%	nil
2	35% max	Min 5%	Min 60%
3	35% max	Min 5%	Min 40%
4	75% max	Min 5%	Min 20%

Table 3. Grant Rates Applicable in Merseyside and Conditions for Levels of Other Types of Funding

Group:	FIFG	Public	Private
1	50% max	Min 50%	nil
2	20% max	Min 20%	Min 60%
3	15% max	Min 5%	Min 60%
4	20% max	Min 20%	Min 60%

Group 1 type awards relate to measures where there is no private investment. This applies to fishing vessel decommissioning, harbour grants where the investments are required to be made by a public body (in most cases a local authority) and other measures which obtain support from a public body.

Group 2 and 3 type awards relate to investments made by private enterprises when there is no public support. These include renewal and modernisation of the fleet, processing and marketing, and fishing port facilities (for private investments).

Group 4 type awards apply to pilot projects other than those carried out by public bodies. This includes investments into port facilities, operations by members of the trade organisations and innovative measures, if supported by a public body or collective organisations such as a PO or Fishermen's Federation.

Category of transfer

The measures covered by FIFG include:

- Fisheries infrastructure expenditure;
- Payments for vessel decommissioning and licence retirement;
- Investment and modernisation schemes;
- Other cost reducing transfers.

Cost Recovery or offsetting charges

There are no cost recovery charges.

Recipient fishery

The transfer is generally available to the fisheries sector, though prior to 2005, aid was not available to the aquaculture sector in England.

Rules and conditions¹

In general to be eligible for aid, the project:

- must not be the subject of an application for another EU grant under another scheme;
- must comply with EU and UK legislation;
- must have a funding package which includes match funding from UK public money and, where appropriate, private funds.

The project should:

- quantify outputs and provide details of clear and attainable targets;
- demonstrate an additional and sustainable benefits to the industry;
- require the minimum grant necessary to enable the project to proceed and;
- provide good value for money.

The project should also be cost effective and should:

- be completed within two years of approval;
- create new jobs, or safeguard existing jobs; and reduce seasonality of employment;
- protect the environment;
- include technical innovation;

For vessel modernisation, FIG grants are limited to vessels which have their home port in the UK, where “home port” means the port in which a vessel is normally based and from which it normally operates.

For improvements to fishing port facilities, aid is available for capital investments which are of collective interest to fishermen using a port. They must contribute to the general development of the port and represent an improvement of services offered to fishermen. At least 50% of the vessels affected by the project must be UK or EU registered.

Grants for the processing and marketing of fishery and aquaculture products are restricted to the private sector.

Aid for generic advertising is available for campaigns to promote the consumption for fish and shellfish, market studies, consumer surveys and sales advice and assistance. Such campaigns cannot be based around commercial brands or make reference to particular countries or regions unless the product or process and geographical area has been recognised by Regulation (EEC) 2081/92 of 14 July 1992 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs.

¹ www.defra.gov.uk/corporate/regulat/forms/eaggf/fifg2.pdf

Under the measure for projects by members of the trade, aid will be available to producer organisations to support short term operations which will improve the safety, sustainability and economic viability of the fishing industry. A collective organisation is one acting on behalf of and in the interests of the fishing industry or a part of the industry.

Aid for innovative measures will be available for activities such as pilot projects, studies and demonstration trials. Funding will be available for innovative measure which are designed to identify opportunities for future restructuring and to improve the sustainability for the fishing industry. Aid will be provided for projects which are provided for projects which are of collective benefit to the fishing industry and which are implemented on the initiative of public bodies or, for the pilot projects only, private sector bodies.

Budget and expenditure

The anticipated expenditure for the FIG programme outside Objective 1 for the period 2000-2006 is shown in Table 4 below. The uptake to the end of 2004 is shown in Table 5.

For the FIG Cornwall programme and the FIG Highlands and Islands programme, the anticipated expenditure, uptake and number of awards to the end of 2004 is shown in Tables 6 and 7 respectively.

The total budget for the Merseyside FIG programme between 2000 and 2006 is GBP 143 000. Up to the end of 2004, GBP 54 000 or 38% of the budget had been spent on four projects that were all operations by members of the trade.

Table 4. Expenditure Under the FIG Programme Outside Objective 1

Measure	UK non-Objective 1		Of which:					
			England		Scotland		Wales	
	£m	%	£m	%	£m	%	£m	%
Decommissioning	63.5	45%	52.7	68%	10.7	18%	0.1	5%
Vessel modernisation	8.0	6%	2.7	3%	5.0	8%	0.3	13%
Aquaculture	2.2	2%	0	0%	1.3	2%	0.9	37%
Fishing port facilities	8.3	6%	2.7	3%	5.4	9%	0.2	9%
Processing and marketing	29.8	21%	2.7	3%	26.7	44%	0.4	18%
Promotion	2.0	1%	1.9	2%	0	0%	0.1	4%
Operations by members of the trade	18.8	13%	10.3	13%	8.3	14%	0.2	9%
Innovative measures	3.8	3%	1.9	2%	1.9	3%	0.1	4%
Technical assistance	4.1	3%	3.8	3%	1.6	3%	-	0%
Total	140.6	100%	77.3	100%	60.9	100%	2.4	100%

Table 5. Uptake of the FIG, Outside Objective 1, Programme Budget to End of 2004

Measure	% uptake		
	England	Scotland	Wales
Decommissioning	19.4%	99.1%	0%
Vessel modernisation	2.2%	4.0%	0%
Aquaculture	-	7.7%	0%

Fishing port facilities	37.0%	3.7%	0%
Processing and marketing	33.3%	29.6%	0%
Promotion	10.5%	0%	0%
Operations by members of the trade	13.6%	9.6%	0%
Innovative measures	10.5%	5.3%	0%
Technical assistance	4.0%	0%	0%
Total	18.1%	33.0%	0%

Duration

The current FIFG programme runs between 2000 and 2006. This will be replaced by the European Fisheries Fund from 2006. A review of the FIFG programme, outside objective 1, was carried out half way through the programme and was completed in August 2003². An update to this review is currently being undertaken and is due for completion by the end of 2005.

Table 6. Budget, Uptake and Number of Awards for the FIFG Cornwall Programme

Measure	Programme Budget £m (2000-2006)	% uptake to Dec 2004	Number of awards
Decommissioning	1.1	32%	7
Processing and marketing	2.2	34%	55
Operations by members of the trade	1.7	12%	19
Fishing port facilities	4.8	8%	32
Modernisation	0.45	4%	77
Aquaculture	0.2	5%	4
Innovative measures	0.5	14%	7
Technical assistance	0.7	43%	2

Table 7. Budget, Uptake and Number of Awards for the FIFG Highlands & Islands Programme Budget

Measure	Programme Budget £m (2000-2006)	% uptake to Dec 2004	Number of awards
Decommissioning	0.8	100%	7
Processing and marketing	7.26	88%	44
Operations by members of the trade	2.2	90%	13
Fishing port facilities	2.9	81%	23
Modernisation	3.9	17%	7

² Poseidon Aquatic Resources Management Ltd, *Mid-term evaluation of the 2000-2006 Financial Instrument for Fisheries Guidance (FIFG) Programme in non-objective 1 areas of the UK*, August 2003

(www.defra.gov.uk/fish/sea/pdf/fifgeval-execsumm.pdf)

Aquaculture	9.0	88%	70
Innovative measures	0.41	131%	6

Number of recipients

Table 8. below shows the number of awards under the FIG programme, outside objective 1. See Tables 6, 7 and the details of the Cornwall, Highlands and Islands, and Merseyside programmes respectively in the above paragraph.

Table 8. Number of Awards Under FIG, Outside Objective 1, by Country as at March 2003

Measure	England	Scotland	Wales
Decommissioning	32	98	0
Modernisation	11	25	0
Aquaculture and artificial reefs	0	0	0
Fish processing	21	66	9
Port Development	6	9	0
Measures to promote markets	1	0	0
Operations for members of the trade	6	8	0
Innovative measures	4	7	0