



European Maritime and Fisheries Fund: how to apply for funding

General Guidance Note – applicable to applicants applying in Scotland

This guidance explains the types of funding you can apply for, the types of projects that can be funded, how much money you can apply for and how to apply. You must read this in conjunction with the specific guidance note that applied to the type of project you are applying for.

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If you work in the fishing and maritime sectors, you can apply for European Maritime and Fisheries Fund (EMFF) support to fund sustainable development, support growth and jobs in EU coastal communities.

The organisation running the scheme is called an 'intermediate body' (IB).

The intermediate body for Scottish based projects is Marine Scotland.

DEFINITIONS;

In these notes:

- **You** means the applicant. You can employ an agent or consultant to help you complete your application form but you must sign the form. You will be responsible for ensuring that all of the terms and conditions for grant are fulfilled. Responsibility for the content of the application and any supporting information and documentation rests with you and cannot be transferred to your consultants. In particular, this means that you will be expected to retain ownership of the work which is being grant aided.
- **We** means Marine Scotland
- **Fisherman** means any person engaging in commercial fishing activities, as recognised by the Member State.
- **Fisheries area** means an area with a sea, river or lake shore, including ponds or a river basin, with a significant level of employment in fisheries, which is functionally coherent in geographical, economic and social terms and is designated as such by a Member State.
- **Inland fishing** means fishing activities carried out for commercial purposes in inland waters by vessels or other devices.
- **Vessels operating exclusively in inland waters** mean vessels engaged in commercial fishing in inland waters and not included in the Union fishing fleet register.
- A **public law body** is an organisation financed, managed or supervised by the government.
- **Small-scale coastal fishing** means fishing carried out by fishing vessels of an overall length of 11.99 metres or less and not using towed fishing gear as listed in Table 3 of Annex I to Commission Regulation (EC) No 26/2004.

The information provided in this Guidance Note must only be taken as a

guide to the grants which are available. The legal basis for the grants is Articles 27, 28, 29, 36 & 66 of Council Regulation (EC) 508/2014, which can be found at <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0508&from=EN>

1. Funding you can apply for

To apply, you need to propose a project. You can apply for funding using the E-system and associated guidance. Please note, you may need to complete more than one application if your project has different elements within it.

Please select the guidance relevant to your project;

1. Fishing vessel energy improvements
2. Investments on board vessels
3. Improvements to shore-based facilities
4. Partnerships and information sharing
5. Seafood processing and investments in fisheries management
6. Aquaculture, animal health and inland fishing
7. Support for internal partners

The EMFF is designed to assist those who cannot afford to fund projects without support. If it is considered that you can afford your project without support your project will not be approved.

2. Activities you can apply to fund

You can apply for funding to/for:

- improve the energy efficiency of your gear or vessel
- meet certain aspects of the Landing obligation (note-only one gear replacement can be funded per vessel under the EMFF scheme)
- expand your business into new markets and find new ways of increasing productivity and throughput
- improve health and safety on board and on shore
- boost the value and quality of your product including ways to use unwanted catch

- improve fishing ports, landing sites, auction halls and shelters
- try innovations in fisheries, the maritime sector and aquaculture
- marketing measures
- process fishery and aquaculture products
- start an advisory service
- start a partnership between scientists and fishermen
- create jobs within eligible areas
- create social dialogue,
- create support for the systems of allocation of fishing opportunities
- production and marketing plans
- implement conservation measures and regional co-operation
- limit the impact of fishing on the marine environment and adapt fishing methods to protect species
- innovation that could conserve marine biological resources protect and restore marine biodiversity and ecosystems
- inland fishing including health and safety and value of catches
- inland aquatic fauna and flora productive investments in aquaculture management, relief and advisory services for aquaculture farms
- projects that increase the potential of aquaculture sites
- aquaculture providing environmental services
- innovation in aquaculture
- projects that promote human capital and networking in aquaculture
- The purchase or leasing of vehicles only **if** the vehicle in question has a direct contribution to the project and is not used for any other purpose. Maintenance of any vehicles is not eligible for funding.

This list is not exhaustive. Contact Marine Scotland if you're unsure whether the activity you want to apply for is eligible.

Activities you can't apply to fund

You cannot get EMFF funding to/for:

- increase the fishing effort, the capacity of your vessel or increase the ability of your vessel to find fish
- Increase the capacity of fish holds
- build fishing vessels or import them
- stop fishing activities temporarily or permanently, unless otherwise provided for in the EMFF regulations
- carry out exploratory fishing
- transfer ownership of a business

- fund direct restocking unless explicitly provided for as a conservation measure by a European Union legal act or in the case of experimental restocking
- Fund the purchase or construction of inland fishing vessels.
- Funding the construction of Lobster Hatcheries.
- Health & Safety items and services that are statutory or mandatory requirements of law and byelaws
- Operating costs unless expressly allowed for by Marine Scotland.

Contact Marine Scotland if you're unsure whether your project is eligible or ineligible.

3. Who can apply

You can usually apply for the scheme if you're at least one of the following; please read the specific guidance for your particular type of project:

- the owner of a Scottish registered fishing vessel and you commercially fish from a port based in Scotland.
- fisherwoman, or spouse or legal partner of a fisherman
- a producer organisation, Inter-branch organisation or a public or semi-public organisation
- an aquaculture business or organisation
- an organisation of fishermen or fisherwomen
- involved in production, processing, marketing, distribution or retail of fisheries and aquaculture products
- non-governmental organisations
- an association, including new aquaculture farmers
- universities and research institutes
- Micro, small and medium-sized businesses- see below
- Scientific organisations working in the maritime sectors
- Public-private partnerships

Micro, small and medium enterprises SMEs

- Some EMFF Funding is only available to Micro, Small and medium enterprises (SMEs), applications guidance notes provide guidance on this.

To calculate whether you are an SME you need to know staff numbers, turnover and balance sheet totals.

- Micro-enterprises are defined as enterprises that employ fewer than 10 persons and whose annual turnover or annual balance sheet total does not exceed 2 million euro;
- Small enterprises are defined as enterprises that employ fewer than 50 persons and whose annual turnover or annual balance sheet total does not exceed 10 million euro;
- Medium-sized enterprises are defined as enterprises that employ fewer than 250 persons and whose annual turnover or annual balance sheet total does not exceed 50 million euro.

Your company's relationship with other businesses is also important. See the three categories below;

- Autonomous – if the enterprise is either completely independent or has one or more minority partnerships (each less than 25%) with other enterprises
- Partner – if holdings with other enterprises rise to at least 25% but no more than 50%, the relationships is deemed to be between partner enterprises
- Linked enterprise – if holdings with other enterprises exceed the 50% threshold, these are considered linked enterprises

It is up to you to determine and declare your business type.

Contact Marine Scotland if you're unsure if your company qualifies.

4. Who can't apply

You can't apply for and receive EMFF funding if you've been convicted of fraud under either the European Fisheries Fund (EFF) or the European Maritime and Fisheries Fund (EMFF)

You can't apply for and receive EMFF funding if you've been convicted of an offence that the Intermediate Body or European Union considers to be a 'serious infringement' or fraud, in the 12 months before applying.

If you think this applies to you please read the guide on inadmissibility for further information on the effect infringements have on your eligibility for funding.

You can't apply if you are not an eligible applicant type, see above.

For projects on board fishing vessels, the vessel must be registered as a fishing vessel in the European Union and you must be a commercial fisherman.

5. How much grant money you can apply for?

You should consult the guidance note for the relevant application form to find out how much funding you can apply for. The tables are called 'Funding Rate Tables'.

It is important to note that all funding issued under the EMFF scheme must be matched from a UK public source, in Scotland this is Scottish Government. This means that whatever amount you apply for you must have already established a source of matched funding.

The matched amount from a public source is called the 'National Funding'. This 'National Funding' usually comes from the country administering the scheme, however, sometimes this can come from another public source such as local government.

Private Match Funding

It is your responsibility to source and provide private match funding if this is required as part of the application for EMFF funding. Typical sources of private match funding can include business loans or a business' cash

resources. The source of private match funding should be clearly stated when applying for funding. Before committing any private resources to the project we recommend you seek independent financial advice.

Non-cash Match Funding

The value of land, buildings or assets cannot be used as match funding.

Future revenue from projects or other businesses cannot be used as match funding.

Items or services where there are no actual costs incurred cannot be used as match funding; this is 'in-kind' funding, see below for details of this type of match funding.

Cash, loans or grants from other sources being used for match funding must be in place before applying to the European Maritime and Fisheries Fund. Applicants are advised they may be asked for proof this is in place before a decision is made.

In-kind

Contributions 'in-kind' are those for which a value can be attributed but no money is exchanged. For example volunteer time, the hours worked have a value but no cost is actually incurred for which payment is made and evidence can be provided.

In-kind contributions can be considered as match funding for projects where all of the following criteria is met;

- The public support awarded to the project which includes contributions in-kind does not exceed the total eligible expenditure, excluding contributions in-kind, at the end of the project.
- The value attributed to contributions in-kind does not exceed the costs generally accepted on the market in question and evidence of that market value is provided.
- the value and the delivery of the contribution can be independently assessed and verified.

In the case of contributions in-kind in the form of unpaid work, the value of that work is determined by taking into account the verified time spent and the rate of remuneration for equivalent work.

Applicants wishing to use significant amounts of in-kind funding as match funding should contact Marine Scotland for advice prior to applying.

The value of land, buildings or assets cannot be used as in-kind funding.

Project Management

In general, Project Management costs should not exceed 30% of the total project costs.

It is acknowledged that revenue projects can incur higher project management costs in some circumstances and that capital projects are normally expected to incur lower project management costs.

In either case, if you wish to incur more than 30% Project Management costs on your project you must provide a detailed rationale of the need for the increased costs with your project submission. Any requests for Project Management costs above 30% of the total project costs will be carefully assessed by Marine Scotland and therefore consideration should be given to ensuring that costs of this nature provide the best possible value for money for the public funding.

Phased Projects

Projects can be delivered in phases if there is a good reason to do so. Phases must be standalone and not dependent on other phases or projects. Each phase must have its own targets and benefits and must achieve them without depending on other phases or projects. Phases should be completed and all eligible costs claimed before the next phase is applied for. Applying for a phased project does not guarantee that funding will be approved or available for any subsequent phases. Responsibility for funding future phases rests with you as the applicant.

Targets and Benefits

Your project must have targets and benefits that can be achieved directly by the project. Further details of the types of targets and benefits you should consider can be found in the individual guidance notes depending on the type of project you are applying for.

Targets and benefits help you and Marine Scotland measure the success of your project so they should be specific to your project, measurable, achievable, realistic and have timescales or deadlines.

If you do not meet the targets and benefits originally agreed and set out in the offer letter, issued to you by Marine Scotland, then the level of achievement of the targets and benefits will be considered. Marine Scotland will take a proportionate approach to this consideration and where possible work with you to address the issues identified. Marine Scotland must protect the public funding elements of the EMFF scheme and any match funding wherever possible. Because of this, recovery of funding paid to you, or the withholding of any funding outstanding may occur, if it is considered necessary.

Planning Consents

If your planning consents and/or licences are not in place when you apply for funding you should supply details of when these are expected and forward to Marine Scotland as soon as they have been received. Funding cannot be paid before the required planning consents and/or licences are in place.

Research Projects

Results of research projects must be made public through appropriate means including publication and circulation in appropriate channels, and publication on websites.

State Aid

All projects must comply with all other eligibility rules of the Scheme and State Aid rules to be deemed eligible for funding.

State Aid rules do not apply to the majority of projects which are eligible under the EMFF scheme. However, projects must relate to the catching, production and/or processing of fisheries products. These are defined in:

- Annex I of the Treaty for the Functioning of the European Union (found in the Official Journal of the European Union under 2012/C 326/01) and;
- Annex I & II of the Common Market Organisation regulation EU 1379/2013

If you feel that your project does not meet these criteria then you should contact Marine Scotland to discuss your project before making an application for funding. This may result in Marine Scotland obtaining advice from State Aid Experts.

Simplified costs

Simplified costs can be used by applicants for projects where evidencing the actual costs incurred is excessively time consuming or difficult. This does not apply to capital purchases and is limited to costs such as overheads or staff costs incurred as part of a wider project.

You can use simplified costs in certain circumstances. Applications for the use of simplified costs need to demonstrate sound levels of transparency and evidence to show that the costs are reasonable and based on a sound calculation/evidence methodology.

Simplified costs can be used when:

- The real costs relating to a project are difficult to verify and to demonstrate, for example, many small items with little or no impact on the project.

- There is reliable data on financial and quantitative implementation of previous costs which can be used to demonstrate the likely costs for the proposed project.

The three options for calculating simplified costs are:

1. Unit costs

May be used where it is possible to determine the standard scale of unit cost related to a specific activity (either process - or outcome-based) in advance. The calculation for the standard scale of unit cost must be fully evidenced in the application. The eligible cost of the activity in the operation will be calculated by multiplying the quantity of activity with the standard scale of unit cost you have provided.

Method of Calculation

The eligible activities required in order to complete the process/outcome must be listed in the application for funding.

The real cost of each activity must be based on statistical data or other objective information; verified historical data or the application of the usual cost accounting practices of the beneficiary and this evidence must be provided with the application

The above supplied information will be used by the Intermediate Body to establish the Unit cost which may be included in any Offer Letter.

2. Lump sum award

In advance of issuing any Offer Letter, the amount of a lump sum to be included in any Offer Letter will be determined by the Intermediate Body based on predetermined terms of agreement on activity and/or output. This lump sum will only be paid if all these terms are completed and this will not be in the form of an advance payment before costs are incurred by you.

Method of Calculation

The desired activity/output of the project needs to be described in the application. As should the list of actions required in order to complete the activity/output.

This information should be supported by evidence of statistical data or other objective information; verified historical data or the application of the

usual cost accounting practices of the applicant (supported by internal guidance from the applicant's organisation).

The above supplied information will be used by the Intermediate Body to establish the Lump sum award which may be included in any Offer Letter.

3. Flat-rate financing

In advance of issuing any Offer Letter the amount of Flat-rate financing will be calculated by the Intermediate Body, based on information supplied by the applicant. This will be based on categories of eligible costs as a percentage of specific and clearly identifiable categories of other associated and evidenced eligible costs.

Method of Calculation

Option 1 – Flat Rate of up to 25% of Eligible Direct Costs

The costs within the application need to be clearly identified to allow the Intermediate Body to determine which Type category these costs fall into (see below).

The real costs within the application must be evidenced based on statistical data or other objective information; verified historical data or the application of the usual cost accounting practices of the beneficiary.

The Intermediate Body will confirm the rate of finance to be used for indirect costs which may be included in the Offer Letter

Option 2 – Flat Rate of up to 15% of Direct Staff Costs

The costs within the application need to be clearly identified to allow the Intermediate Body to determine which Type each category of expenditure falls into (see below).

The real costs within the application must be evidenced based on statistical data or other objective information; verified historical data or the application of the usual cost accounting practices of the beneficiary.

The Intermediate Body will confirm the rate of finance to be used for indirect costs as a ratio of direct staff costs which may be included in the Offer Letter.

Flat Rate Financing Type Categories

Type 1 – direct staff costs

Type 2 – indirect costs

Type 3 - direct costs other than staff costs

All projects, where there is a workforce of one or more persons

All projects, where there is a workforce of one or more persons, whether permanent or temporary, must comply with any sanitary rules appropriate to the UK. You must tick the relevant box on the application form to indicate that you have considered the above.

6. Before you apply

Projects can commence, at their own risk, after receiving an acknowledgement email from the application system.

In exceptional circumstances, costs incurred prior to submission of your application to Marine Scotland and can be considered eligible for reimbursement at the funding rate applied, providing they are directly related to your project you are applying for and essential to bringing the application to submission stage. The eligibility of these costs are at Marine Scotland's discretion and are not guaranteed, are subject to the approval of the full project and are undertaken entirely at the applicant's own risk. Contact Marine Scotland for more details.

Funding Rates

Funding rates can be found in the individual guidance notes depending on the type of project you are applying for. These should be consulted before applying to ensure that you can afford the project.

7. How to apply

Apply online

You should apply online using the EMFF E-System

You will need the following information to hand in order to complete the application:

- The appropriate guide for completing your application form
- Your business details such as your accounts, business registration number and VAT registration number

If you cannot use the E-System please contact Marine Scotland.

8. Documents you need to send

As well as your application form and any specific documents mentioned in the form guidance, you'll need to send the following:

If your project has a total value of up to £24,999.99

You should provide a copy of your organisation's accounts for the last three financial years to demonstrate that your organisation is financially sound. These can be audited or non-audited.

If your organisation is currently loss making, this does not necessarily mean that your application cannot be considered. However, you will need to explain carefully in your business case or application form the steps you are taking to make your organisation financially viable, including the contribution you expect your project to make to this.

If you are an organisation that is one or two years old, you only need to provide the organisation's accounts for the financial years that you have been in operation.

If your organisation is new, you should provide a cash flow forecast for a minimum of 5 years. For an example of a cash flow forecast for 12 months see further down this section. The pre-start column is for figures for items before your organisation started trading.

You must also tell us about any interest rates on start-up finance that is not clear from the Cash Flow Forecast.

If your project has a total value of between £25,000 - £99,999.99

A business case, completed on the Business Case Template, can be found on the Marine Scotland website or you can contact Marine Scotland for a copy.

You should provide accounts or evidence if you are a new company, and a Discounted Cash Flow, an example can be found further down this section (table I).

If your project has a total value of more than £100,000

A business case completed on the Business Case Template which can be found on the Marine Scotland website or you can contact Marine Scotland for a copy.

You should provide accounts or evidence if you a new company, see above and a Discounted Cash Flow, a blank copy can be found here. A full financial and economic appraisal will be conducted on your evidence and you may be asked for further information.

Please note we will not be able to return copies of any documents to you.

Table I Example Cash Flow Forecast for 12 Months

Cash Flow Forecast - 12 Months														
Month:	Pre-Start	1	2	3	4	5	6	7	8	9	10	11	12	Totals
Receipts														
Cash sales	£0.00	£0.00	£10,020.00	£10,855.00	£12,525.00	£14,195.00	£15,865.00	£18,370.00	£21,710.00	£24,215.00	£26,406.00	£28,808.00	£33,066.00	£216,035.00
Collections from credit sales	£0.00	£0.00	£0.00	£251.00	£418.00	£501.00	£501.00	£585.00	£752.00	£752.00	£1,002.00	£1,002.00	£1,166.00	£6,930.00
Loans received	£0.00	£16,700.00	£0.00	£0.00	£8,350.00	£0.00	£0.00	£8,350.00	£0.00	£0.00	£8,350.00	£0.00	£0.00	£41,750.00
Total Receipts	£0.00	£16,700.00	£10,020.00	£11,106.00	£21,293.00	£14,696.00	£16,366.00	£27,305.00	£22,462.00	£24,967.00	£35,758.00	£29,810.00	£34,232.00	£264,715.00
Payments														
Cash purchases	£0.00	£401.00	£326.00	£166.00	£131.00	£237.00	£166.00	£149.00	£149.00	£166.00	£113.00	£113.00	£167.00	£2,284.00
Payments to creditors	£0.00	£1,203.00	£978.00	£499.00	£392.00	£713.00	£499.00	£446.00	£446.00	£499.00	£339.00	£339.00	£503.00	£6,856.00
Overheads	£0.00	£6,304.00	£5,120.00	£2,620.00	£2,058.00	£3,728.00	£2,620.00	£2,336.00	£2,336.00	£2,620.00	£1,780.00	£1,780.00	£2,631.00	£35,933.00
Total Payments	£0.00	£7,908.00	£6,424.00	£3,285.00	£2,581.00	£4,678.00	£3,285.00	£2,931.00	£2,931.00	£3,285.00	£2,232.00	£2,232.00	£3,301.00	£45,073.00
Cashflow Surplus/Deficit (-)	£0.00	£8,792.00	£3,596.00	£7,821.00	£18,712.00	£10,018.00	£13,081.00	£24,374.00	£19,531.00	£21,682.00	£33,526.00	£27,578.00	£30,931.00	£219,642.00
Opening Cash Balance	£0.00	£0.00	£8,792.00	£12,388.00	£20,209.00	£38,921.00	£48,939.00	£62,020.00	£86,394.00	£105,925.00	£127,607.00	£161,133.00	£188,711.00	£861,039.00
Closing Cash Balance	£0.00	£8,792.00	£12,388.00	£20,209.00	£38,921.00	£48,939.00	£62,020.00	£86,394.00	£105,925.00	£127,607.00	£161,133.00	£188,711.00	£219,642.00	£1,080,681.00

Permissions, consents and licences

If your project needs specific permissions, consents and licences to go ahead, you must send proof that you have them to Marine Scotland when you apply. An offer cannot be made to you until these have been received. You should talk to the relevant authority to find out if you need any environmental consents including marine licences.

9. Applicant Types

Collective interest, collective beneficiaries & innovative projects

To determine the amount of funding a project can attract it is necessary to determine if the project is of Collective benefit or Non-collective benefit as set out in the European regulations and National law.

In simple terms;

If a project has no direct financial benefit to either the applicant delivering the scheme or the beneficiary of the project and has both collective interest and collective beneficiaries (those benefitting from the project) then it can be considered Collective.

If a project has a direct financial benefit to either the applicant delivering the scheme or the beneficiary of the project then it is considered Non - Collective.

In addition, to be eligible for the higher public funding rate the project must have innovative features. These can be activities that are innovative to the sector or industry but can also be innovative to a business. If the project is being delivered at a local level the innovative features must be present at that local level.

Public/Private Organisations

To determine how much public funding you are eligible to apply for we need to understand the type of applicant you are. Public funding is the European and National government (Marine Scotland) element of the funding that could be offered to you. The type of applicant you are is either public, private or a private company providing a public service. These types are described below along with questions to help you identify what type of applicant you are.

How to determine whether you are a public or private applicant

- Are you a public organisation? A public organisation is one which is part of a government department or an organisation whose work is part of the process of government, but is not a government department and gets its funding from a public source such as the government. If yes, you are applicant type **A**.
- Are you a private organisation providing Services of General Economic Interest (SGEI)? SGEI are economic activities that public authorities identify as being of particular importance to citizens and that would not be supplied (or would be supplied under different conditions) if there were no public intervention. Examples are transport networks, postal services or social services. The SGEI must be central to the project being applied for. If yes, you are applicant type **B**.
- Are you a private organisation not delivering SGEI – see above for a definition? If yes, you are applicant type **C**.

Funding Available

- If you are applicant type A, you are eligible to apply for 100% public funding for your project.
- If you are applicant type B, you are eligible to apply for 100% public funding for your project.

- If you are applicant type C, are you one of the following? If yes, you are eligible to apply for at least 50% funding. You can apply for more than 50% if you are any of the following types of applicant;

Are you a small scale coastal fisher or is the project related to the small scale coastal fisheries fleet? If yes you can get 80% public funding see below for an example;

Total project cost	Public - EMFF		Public – National		Private Contribution	
£10,000	£6,000.00	60%	£2,000.00	20%	£2,000.00	20%

Are you a Producer organisation, an association of producer’s organisations or an inter-branch organisation? If yes you can get 75% public funding, see below for an example;

Total project cost	Public - EMFF		Public – National		Private Contribution	
£10,000	£5625.00	56.25%	£1875.00	18.75%	£2500.00	25%

Are you a Fishermen’s Organisation? If yes, you can get 60% public funding, see below for an example;

Total project cost	Public - EMFF		Public – National		Private Contribution	
£10,000	£4500.00	45%	£1500.00	15%	£4000.00	40%

10. Quotes

For all goods and services that you intend to apply for as part of your project, you need to send whichever of the following you have:

- **Quotes that a supplier of the product or service sent to you** - the number of quotes you need to send depends on the value of the product or service. See below.
- **Photocopies or print-outs of catalogue or website listings for products.** We will accept photocopies or print-outs of catalogue or website listings for products. The required numbers of photocopies or printouts must be provided according to the value of the product, see below;
 - The photocopies or print-outs must contain the specification of the item which can be compared across the evidence supplied. They must contain a price and all should be either inclusive or exclusive of VAT as applicable.
 - The photocopies or print-outs must be from accessible catalogues or website that can be easily verified.
- **Email quotes** - Email quotes can be accepted however either the body of the quote or the attachment must follow the general quote guidance and contain the company name and address, date, name of the individual within the company supplying the quote, company number etc. Quotes that don't meet the requirements set out will be rejected by Marine Scotland.
- **Documents that prove you've issued a formal tender**, scoring and decision making details.

These documents will all be used to show that you're getting the best value for money in your project.

Applicants must ensure that the companies requested to quote for items or services for their project know that their quote is being submitted as part of an application of funding to the EMFF scheme and Marine Scotland.

A declaration completed by the company quoting must be obtained by you and supplied with your application. The declaration can be found on the Marine Scotland website or contact Marine Scotland for a copy.

Public and private procurement (Quotes requirements)

Different rules apply to different applicants when obtaining quotes for projects. The rules for public applicants such as public authorities and government organisations and the rule for private applicants such as private businesses are below.

Individual Items With a Value (excluding VAT) of:	Number of Quotes or Tenders
over £0 and up to £1,500	Single written quote.
£1,500.01 and up to £5,000	At least two quotes must be provided. If at least two quotes have not been provided , then an explanation why must be provided.
£5,000.01 and up to £60,000	At least three quotes must be provided. If at least three quotes have not been provided, then an explanation why must be provided.
equal to or over £60,000.01	<p>Public applicants – A formal tender is required, you can contact us for advice on this before you go to tender. Evidence must be provided that a tender has taken place, including evidence of the evaluation system used, details of the chosen tender and scoring. The tendering must follow EU procurement rules.</p> <p>Private applicants - 3 quotes or evidence of tender including evidence of the evaluation system used, details of the chosen tender and scoring.</p>

Public Applicants– Public procurement rules must be followed.

Externally procured services and items

The procurement of goods and services that are acquired externally must follow the procurement rules of the organisation applying and evidence of those procurement rules must be provided with the application.

Travel & Subsistence is granted and paid in line with Scottish Government rates.

In certain circumstances there may be only one supplier that can provide the goods or services, this could be because;

- It is the only provider who has the necessary skills or equipment to undertake the work,
- The provider owns the exclusive rights required to deliver the goods or service.

If this is the case then it is a Single Tender Action (STA) or equivalent and it is necessary for evidence to be supplied;

- In the example of the organisational procurement policy, for all STA's over £1,000 pre-procurement approval must be provided in the form of a completed Pre Procurement Approval Form (PPAF) or equivalent which evidences the supporting justification for the STA and must be approved by the business area and the Head of Procurement or equivalent prior to any purchase of the goods or services.
- If your organisation does not follow a similar formalised process then evidence of project objectives, a breakdown of the costs, an outline of any value for money considerations, reasons for not procuring in the usual way and any relevant supporting documentation must be provided.

Public Applicants - Internally procured goods and services.

If the goods and services are being supplied to the project internally, by an applicant's own organisation then formal procurement is not applicable.

However, to ensure value for money is considered we would need to see the following information;

- A rationale for using internal staff/services - this should include but is not limited to; evidence of the skills and experience of the individual and their suitability for the role undertaken, evidence of the unique suitability of the vessel/equipment for the role,
- Evidence that the project has satisfied a value for money assessment where possible.

The quotes and tenders you send must:

- come from suppliers that trade independently of each other and don't share any ownership
- be from the last 3 months, or justification if older,
- be comparable in terms of the quality, size, quantity, and type of product, if you're using multiple quotes to show you'll get value for money when buying a product

They must include:

- a detailed and itemised breakdown of costs
- the supplier's address, phone number and a contact name
- the supplier's VAT number, if they're VAT registered and they included VAT on the quote
- the supplier's company registration number, if they're a limited company

Don't send quotes or tenders that come from suppliers you're related to or that your business is linked to. All quotes must come from independent companies and may be verified.

Marine Scotland reserves the right to seek independent advice on the validity and value for money of quotes and tenders supplied. Marine Scotland may contact your suppliers directly.

Suppliers

You must make all of your suppliers aware that they are quoting for an EMFF funding application. This responsibility for this lies with you and verification checks will be made by Marine Scotland.

Leasing of items or equipment

If leasing an item rather than buying it makes sense, from a value for money point of view, even if it won't meet Durability of Operations (the rule that projects and items with projects must be retained, and not modified by the applicant, for a minimum of 5 years following the end of the project) it can be considered. Items can include, but are not limited to, plant for site works; porta-cabins for temporary work spaces and other equipment only needed for a limited time but is required for the delivery of the project.

Where leases are part of your project, appropriate numbers of quotes must be supplied to ensure value for money has been considered. You must also provide a rationale with your application explaining why the use of leased items is better value for money than purchase.

Leases On land or buildings – If you have leased land or buildings within your project i.e. the fitting out of a leased building into a processing unit. The land or building must have a lease remaining of at least 10 years from time you apply for funding. If your land or building does not have at least 10 years lease remaining at the time of applying you should contact Marine Scotland for advice.

11. Assessment

Marine Scotland will contact you after receiving your application to confirm that they've received it.

If more information is needed Marine Scotland will contact you to explain what is required and how long you have to provide it.

12. If your application is approved

If your project is approved, Marine Scotland will send you an Offer Letter which states the:

- amount of money you've been awarded - in some cases you won't be awarded the total amount you applied for
- conditions you must follow when completing your project - if you don't meet these Marine Scotland can withdraw or change the offer

How to respond to your Offer Letter

If you decide to accept the Offer Letter and its conditions, send a signed copy of your offer letter to Marine Scotland.

You should also make a copy of the Offer Letter and keep it.

Publicity

The European Commission and Marine Scotland will publish brief details of all successful projects, including your name or your organisation's name as applicable, a description of the project and broad details of any funding awarded; this is called the Transparency Initiative (TI).

In addition, projects must acknowledge they have received European funding to the public. Projects must display;

(a) The Union emblem can be found on the Commission website - http://europa.eu/about-eu/basic-information/symbols/flag/index_en.htm

(b) A reference to the Fund or Funds supporting the operation. This is most likely to be the European Maritime and Fisheries Fund (EMFF). However, if you have received funding from other European Funds as well in which case a reference the 'European Structural Investment Funds (ESIs)' meets requirements.

c) Providing on the beneficiary's website, where such a website exists, a short description of the operation, proportionate to the level of support, including its aims and results, and highlighting the financial support from the Union;

(d) Placing, for operations not falling under point c above, at least one poster with information about the project (minimum size A3), including the financial support from the Union, at a location readily visible to the public, such as the entrance area of a building.

And;

No later than three months after completion of the project, you must put up a permanent plaque or billboard of significant size at a location readily visible to the public for each project that fulfils the following criteria:

- (a) The total public funding for the project exceeds EUR 500 000 (based on the exchange rate at the time of application);
- (b) The project consists of the purchase of a physical object or of the financing of infrastructure or of construction operations.

The plaque or billboard shall state the name and the main objective of the project as well as the Union emblem & phrases 'European Maritime and Fisheries Fund', 'Investing in sustainable fisheries' and Scottish Government logo.

If you are required to put up a plaque or billboard as above and you do not comply you will be deemed to have not fulfilled the terms and conditions of any funding awarded to you and funding may be recovered.

Durability of Operations

To ensure the effectiveness, fairness and sustainable impact of the intervention of the ESI Funds, of which the European Maritime and Fisheries Fund is one, provisions guaranteeing that investments in businesses and infrastructures are long-lasting and prevent the ESI Funds from being used to undue advantage should be in place.

Therefore items purchased using public funding from the European Maritime and Fisheries Fund must be owned and used for their original purpose for a minimum of five years, except where State aid rules provide for a different period or the items are leased, see the **Leasing of items or equipment section** for more advice.

In the case of an operation comprising investment in infrastructure or productive investment, and where the beneficiary is not a Micro, small or medium enterprise (SME), An applicant will be required to repay the funding contribution from the EMFF if, within 10 years of the final payment to the project, the project or its activity is subject to relocation outside of the European Union.

Some or all of the funding for projects that do not meet the Durability of Operations above will be recovered.

Reporting requirements

You must update us on the progress of your project when you make a claim for payment. You should give us the following information;

- How is the delivery of your project going and what are the key milestones achieved to date?
- Is the project delivering on time?
- Have there been any problems or issues encountered?
- Do you foresee anything changing on the project including delivery timescales, items, suppliers or costs? If you do then you must inform Marine Scotland as soon as possible by requesting an amendment to your project. The amendment form and guidance can be found on the Marine Scotland website or contact Marine Scotland for a copy.

13. If your application is declined

If Marine Scotland declines your application, they'll send you a decline letter that explains why.

You can appeal this decision through Marine Scotland if you think that:

- it was based on a factual error
- it was legally wrong
- Marine Scotland made an error in processing your application

You have 28 days after the date of the decline letter to ask Marine Scotland to review their decision.

An Independent Appeal Officer will consider your application in full against the selection criteria. The appeal will either pass which means the original decision is overturned or fail and the original decision is upheld.

We will notify you of the outcome of your appeal within 6 weeks of receiving it.

If your appeal is successful and the original decision is overturned you will be issued with either an offer of funds letter or a partial offer letter.

If your appeal is unsuccessful the appeal decision is final and no further correspondence will be entered into. However you can reapply and your new application will be considered without prejudice unless fraud has been committed.

14. Claiming your Funding

If your application is successful, you will be able to claim EMFF funds via the e-system.

Marine Scotland will only pay you your funding in arrears meaning you will need to pay for items before claiming from Marine Scotland - you need to prove you've spent your money on the item or service by sending them a completed claim form along with:

- Dated invoices which show the amount of money you paid for each product or service you're claiming for - they must be signed by the organisation that issued them
- Proof of payment – bank statements (and receipts if applicable) appropriate to Scottish Government audit requirements
- A progress update on your project

Marine Scotland can decline to pay you part of the funding, or the whole funding, if they don't think the information on your invoices is accurate, or the products or services you bought aren't what you were approved for.

The conditions in your offer letter will explain about what you must do and the information you must send in to get your funding paid.

Costs you can't claim for

You must not claim EMFF funding for the following as they cannot be reimbursed by Marine Scotland:

- interest on a debt
- purchase of land or housing that's worth more than 10% of your project's total expenditure
- your business's operating costs, unless the Intermediate Body has told you otherwise in your offer letter

- Leased or items on HP may not be eligible as they do not immediately come into the ownership of applicants. Please contact Marine Scotland in these circumstances.
- any costs that you could recover in part or in total by making a claim on an insurance policy or by seeking compensation or damages

Your final claim date will be detailed in your Offer Letter and will be unique to your project. You must claim by this date. If you are unable to claim by the date detailed you must contact Marine Scotland as soon as possible to discuss options. The final claim submission date is 31 December 2020.

15. Reporting and inspections

Reporting your progress

You must give Marine Scotland updates on your project with every claim, plus one performance report each year for the first 3 years. A reminder will be issued when this is due.

If you don't carry out your project in accordance with the timetable in your offer letter, Marine Scotland will ask you to explain the delay and any impact on your targets and benefits. Marine Scotland could then cancel your funding offer or change it depending on the reasons you give. Should this be the case a full explanation will be provided.

They may also decide to reclaim any funds you have already been paid.

Marine Scotland can take criminal or civil action to reclaim any money they paid you if they find you gave false information in your application, or if you do any of the following:

- break the conditions in the offer letter
- use the money for a different purpose to what you said you'd use it for when you applied
- commit fraud

Inspections

You must allow Marine Scotland officials to visit your vessel or other sites related to your project to check your progress and report it to the European Commission.

The following bodies can also inspect your project after you've been sent an offer letter:

- the National Audit Office
- the European Commission
- European Court Auditors
- Any other agents deemed appropriate by the European Commission
- another Intermediate body

You will usually be given at least 48 hours' notice, but they don't have to.

16. Reporting changes to your project

If you've signed and returned the offer letter and you need to amend your project you must make a formal notification of change to Marine Scotland, e.g. if you want to:

- change the make-up of your funding package
- increase or decrease the total cost of your entire project
- change the timetable of your project
- sell or dispose of any item of infrastructure purchased as part of your project
- stop any activity that's part of your project or change the location of the activity

You need to justify any changes by telling Marine Scotland in your EMFF E-system account.

If you change your project without telling Marine Scotland, they could cancel your funding award, change it or refuse to pay funding for costs associated with the changes.

Any conditions in your offer letter apply for 5 years from the date of the offer.

Retrospective amendments

You should apply to Marine Scotland to change your project before making changes. If you modify your project without approval from Marine Scotland the project or part of the project could be ineligible for payment.

Changing the cost of your project

If the total cost of your project increases, Marine Scotland will only pay grant up to the awarded amount. If the total eligible costs of your project decreases then so will the funding award as it will be paid at the percentage awarded.

Amendments where costs decrease

If you are making changes to your project that decrease your project costs and/or decrease the targets & benefits please inform Marine Scotland as soon as possible so that options can be discussed.

Change of supplier

We understand that sometimes suppliers to your project have to change. The different types of changes and what you need to do are listed below;

- If you have changed supplier, and the costs do not increase i.e. - the new supplier will match the original chosen supplier quote- then you do not have to notify us.
- If you want to change supplier and they have not previously quoted and the cost increases you will need to tell Marine Scotland on an amendment request form and get it approved before the change is made.

A rationale for all requested changes should be included in your amendment request.

Change to project manager within a company/project

If you have a change of project manager within your business or company you should inform the Marine Scotland in writing with the new contact details as soon as possible. If you don't inform Marine Scotland then it could result in your new project manager being unable to access or discuss the project or make a claim for payment.

Change of Ownership

If you have had a project approved then you should not sell or dispose of any funded items of the project within 5 years of approval of the project. Consumables are exempt from this.

If you sell or undertake any other action that changes the ownership of any funded item from the original applicant within the 5 years durability of operations the Marine Scotland must be informed in writing by you. This includes indirect changes E.g. where a premises or vessel, where the item is situated, changes ownership.

It is your responsibility as the original applicant to inform the new owners of the funding obligations attached to the item. The new owners will be required to take on the terms and conditions of the funding for the time remaining up to 5 years from the date of the original offer of funding was accepted and agree this with Marine Scotland.

If the new owner of the item or items does not accept the terms and conditions of the funding attached then it is deemed that the item has not fulfilled its obligations to the scheme and therefore recovery proceedings may be started and funding recovered from you as the original applicant.

Declaring additional funding

If you apply for or receive funding through another scheme, you must:

- tell the organisation that runs the other scheme that you've been offered EMFF funding
- tell Marine Scotland that you've been accepted for another type of funding

Marine Scotland can decide that you're no longer eligible for EMFF funding if you get money from another scheme, based on:

- the source of the money - you'll be more likely to be ineligible for EMFF funding if you've got funding from another European Commission scheme
- the amount of money you received from the other scheme
- the conditions of the other funding

If you're deemed ineligible, Marine Scotland can take action to recover money from you, or cancel any payments that are due.

Moving your vessel outside the European Union (EU)

You must not transfer a fishing vessel outside the EU for at least 5 years after spending EMFF funding on it - if you do this you must give back all or part of the EMFF money you received.

The exact amount you have to pay back depends on when you transferred the vessel.

17. Records you must keep

If your application is successful, you must keep all documents related to your project for 5 years from the date of your last EMFF claim, including:

- licences
- consents
- quotes
- invoices
- receipts, bank statements and other documents which record your spending
- all accounting documents related to your application
- claim forms

You must give Marine Scotland or the European Commission any information or documents that they ask for at any stage.

Marine Scotland may give your name and address to an independent person they've hired to evaluate your project.

You should also keep your project documentation under a separate accounting system or accounting code to ensure it is easily differentiated from your businesses other accounts and transactions.

18. Contact

Marine Scotland Grants Team

Area 1B North

Victoria Quay

Edinburgh

EH6 6QQ

Email: EMFF@gov.scot

Telephone: 0131 244 6089