



# Agriculture and Fisheries Grant Scheme

## Fisheries Grants

### Guidelines for Applicants

# July 2023

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## **LEGAL DISCLAIMER**

*The information contained in these guidelines is intended to assist applicants in assessing their eligibility when completing an application for financial assistance. Completion of an application does not contractually bind the Department to grant assistance. The scheme is discretionary and any decision to provide assistance for a specific application will be based on its merits. The Department, in consultation with the industry, will undertake regular reviews of this guidance.*

## INTRODUCTION

The purpose of grants to the fishing industry is to provide grant support to primary fish producers and processors to encourage sustainable and diversified fisheries, improved productivity, contribute towards import substitution, safety at sea and to promote economic growth within the fisheries sectors.

The scheme aims to focus on support associated with the successful delivery of the 5 priority themes defined in the Future Fisheries Strategy:-

- **Managing sea fisheries**
- **Safeguarding the marine environment**
- **Developing our sea fisheries**
- **Managing resources**
- **Working with our customers**

The purpose of the scheme is to support investments to improve the sustainability of businesses.

These guidelines provide information on the scheme for potential applicants, the range of improvements for which financial assistance is available and the rates of grant that apply. Advice is also provided on the application and claim processes.

**Warning: If you deliberately or recklessly provide any inaccurate information on your application, you could render yourself liable to prosecution.**

For further information on all aspects of the scheme, please visit the following website:-

<https://www.gov.im/agandfishgrantscheme> or contact DEFA Fisheries on 685857.

The Department of Environment, Food and Agriculture is committed to ensuring that its services are accessible to all. If you require this document in an alternative format and/ or language please contact us to discuss your needs.

## **THE ISLAND'S INTERNATIONAL OBLIGATIONS IN RELATION TO FISHERIES SUBSIDIES**

The UK has accepted the World Trade Organisation (WTO) Agreement on Fisheries Subsidies (2022). This agreement sets out restrictions on contracting Parties in relation to subsidies for fisheries and/or seafood production. This agreement extends to the Isle of Man, and as such, eligible persons applying for assistance under the AFGS Fisheries Grant will be denied support if they, or a vessel that they operate, have had a final finding or a final listing for engaging in Illegal, Unreported, or Unregulated (IUU) fishing made against them, or any vessel that they operate (and which remains listed) by:

- any of the four UK fisheries administrations;
- a coastal Member of the WTO Agreement on Fishing Subsidies for activities in areas under its jurisdiction;
- the flag State of the vessel, for activities by vessels flying its flag; or
- the UN Food and Agriculture Organisation (FAO) or a relevant Regional Fisheries Management Organisation or Arrangement (RFMO/A)

in accordance with the rules and procedures of the relevant UK fisheries administration, flag State, coastal Member, RFMO/A, and relevant international law.

Further, in accordance with the Articles of the WTO Agreement on Fisheries Subsidies, applications for support that are made under the AFGS will not be made available for fishing, or fishing related activities:

- relating to an overfished stock unless the funding is intended to rebuild the stock to a biologically sustainable level; or
- outside of the jurisdiction of a coastal state and outside the competence or a relevant RFMO/A.

Please note a fish stock is considered "overfished" if it is recognized as overfished by the *coastal Member* under whose jurisdiction the fishing is taking place or by a relevant RFMO/A in areas and for species under its competence, based on best scientific evidence available to it. The coastal Member in respect of the Isle of Man territorial sea is the United Kingdom.

## **WHO CAN APPLY?**

Applications will be accepted from individuals who are “eligible persons”, defined in the scheme legislation, such individuals may be commercial fishers, fishing vessel owners, fish processors and fish aquaculture operators, or those who represent recognised fishing industry bodies.

Applicants must be resident in the Island for tax purposes and must be carrying on the business of fisheries in the Island.

**The amount of grant paid, payable or approved by the Department under any aspect of the Agriculture and Fisheries Grants Scheme 2016 (as amended) in any 5 year period to an eligible person will not exceed £200,000.**

### **Recognised fishing industry body:**

Is a group of persons which represents the interests of the Manx fisheries sector, and is recognised by the Department as representative of that sector.

### **“Young fishermen”**

Young fishers are eligible for enhanced grant support. “Young fishermen” are defined in scheme legislation as individuals in the fisheries industry who have not attained the age of 40 years on the date on which an application for a grant, under this scheme, is submitted to the Department.

## WHAT CAN YOU APPLY FOR?

This depends on the nature of your business and the proposed improvement.

Grant assistance is targeted towards aiding and developing the Island's fisheries sector in line with:-

- Reducing production costs;
- Improving production and product quality;
- Sustainable fishing methods;
- Increasing marketability;
- Facilitating diversification to other fish species;
- Improving knowledge and skills;
- Improving safety at sea.

***The rates of grant support can be found in Appendix 1.***

Applications will not be accepted for expenditure relating to:-

- Any fisheries sector activities taking place off-Island;
- Anything contrary to good business practice, environmental practice or that would appear to be contrary to the policies and objectives of the Department;
- The purchase of fishing vessels, engines, winches, or any registration documentation;
- The purchase of fishing licences.

The total proposed expenditure must be at least £1,000 and at least £200 for safety equipment.

**Importantly, grant assistance cannot be considered for items of expenditure which have been purchased prior to submission of an application.** An application is considered to have been submitted when it is completed to the satisfaction of the Department.

**Please note:** Neither a preliminary discussion nor presentation should be considered a substitute for a properly supported application.

## **ADVANCED EXPENDITURE**

Ordinarily, applications must be approved before any expenditure on the operation occurs. However, "advanced expenditure" allows for equipment to be purchased after the submission of an application to the Department, but prior to approval. The Department envisages that this would be used for applications related to the purchase of safety equipment.

Applicants should note that submission of an application does not guarantee approval. The purchase of any equipment as advanced expenditure is done with the understanding that the Department has no responsibility to guarantee funding for these purchases.

- **Safety equipment applications**

Safety equipment applications of less than £1,000 but greater than £200, provided the application is accompanied by at least one quote, will be considered by the Department as eligible for funding as advanced expenditure. The application would be considered within two weeks of receipt and you would be notified of the outcome in writing. Please ensure your application form is clearly marked as being for safety equipment (as failure to do so may cause delays in processing).

- **Advanced expenditure for applications other than safety equipment**

Applicants wishing to apply for advanced expenditure funding for anything other than safety equipment as described above, should contact the Fisheries Division to discuss this before submitting an application.



## COMPLETING THE APPLICATION FORM

The Fisheries Grants application form can be found on the DEFA website or paper copies are available from the DEFA offices at St John's.

Applicants for Fisheries Grant support **must** complete sections 1 to 4 of the application form in full.

- Section 1

Supply full details of your vessel including name, PLN and RSS number of the vessel (sections 1.8, 1.9 & 1.10). Also company registration number if applicable (section 1.4).

- Section 2

You are required to provide a general description of the proposal including details of the work to be carried out and the items to be purchased (section 2.2) along with a general description of the benefits expected from the proposal (section 2.3). Further, you must provide full, detailed information relating to the source of balance of the cost for the proposed expenditure (section 2.4) and section 2.5 requires details of the expenditure to be incurred on the proposed improvement (total cost).

- Section 3

Applications for support toward total expenditure of £2,000 or above must complete a partial budget appraisal (cost benefit analysis) for the investment (Section 3 of the application form). Please refer to Appendix 2 for an example.

Please note - Applications for support where the total expenditure is for more than £10,000 do not need to complete cost benefit analysis at Section 3, but should provide a complete business case.

- Section 4

The applicant by signing the application form declares their agreement and compliance with the full terms and conditions of the scheme.

- Section 5

This section allows for applicants to include any additional information that may be pertinent to the application. Where an application may benefit a company (for example, a vessel in company ownership) details of that company, including the names of Directors and company signatories, should be included at this section.

Please make sure the form is completed in full to avoid delays in processing the application. The form will be returned to you for completion should there be any missing information. If submitting an application by post, an applicant may wish to consider sending the information by recorded mail.

Quotes supporting your application must be submitted with your completed application form.

## SUBMITTED COSTS AND QUOTES

Applications will be approved against submitted costs/quotes.

Smaller value items, less than £1,000 in total cost, may be approved against a single quote. Where an item is greater than £1,000 at least two quotes must be supplied from businesses which, in the opinion of the Department, are genuinely separate, to demonstrate the actual cost. Failure to do so will result in the application being rejected.

The amount of grant approved for payment will be based on the lowest quote and the grant paid will be based on this figure or the actual cost if this turns out to be a lower figure.

## DEFA PROCEDURES

**Application evaluation:** Once an application has been received it will be formally evaluated. You may be asked to provide additional information and/or clarification of certain points during this phase. We may arrange a meeting with the applicant(s) to discuss the application in further detail. Purchase of fishing gear may be subject to evaluation by marine and/or enforcement officers in regards to suitability for the fishery.

**Departmental report:** Once we have all the information, the application is evaluated with a report prepared for formal consideration by the Department.

**Decision:** Once the application has been evaluated, a written decision on your application will be issued, which, if successful, will include details of the offer and the terms and conditions to be applied. Standard terms and conditions are applied to each offer of financial assistance. These cover the implications of acceptance of assistance and outline the process for reporting information on the business that DEFA requires in order to give assistance. A Conditional Approval offer is made, which can be accepted or let lapse.

Under normal circumstances and once all relevant information has been received, it is DEFA's aim to deal with each application, including written confirmation of the outcome, within 8 working weeks from the date of receipt of your completed application.

If the application is refused, the applicant will be advised of the decision and the reasons for it as soon as is practically possible.

- Successful applicants will receive a 'Conditional Approval Document' (see below) detailing the agreed timescale for support from the Department.
- Unsuccessful applicants will be informed of the reasons for that decision by letter. [Please see note - 'Right of Appeal'].

Rejected applications will not be held over; applicants must reapply.

The Department reserves the right to withdraw an offer of assistance at its own discretion.

DEFA may impose Special Conditions to an approved application within the Conditional Approval Document.

The available budget will determine the number of applications approved. Notice will be placed on the gov.im website if the budget in any financial year is fully allocated, see [www.gov.im/categories/business-and-industries/commercial-fishing/fisheries-grants](http://www.gov.im/categories/business-and-industries/commercial-fishing/fisheries-grants).

In the case of new start-up businesses, the payment of assistance may be linked to performance and tied into the business plan submitted as part of the application for assistance.

## **CONDITIONAL APPROVAL**

If financial assistance is approved two copies of the Conditional Approval Document, which will detail the terms and conditions of approval, will be sent to the applicant. One copy should be signed and returned to the Department and the other kept for your own records. The offer of financial assistance must be accepted by the applicant within 10 working days of issue and before any claim for payment can be considered.

The assistance must then be claimed within a period of one year from the date the grant is approved. Upon application to the Department this period may be extended in exceptional circumstances. If, for business reasons you are unable to take up an offer of assistance within the time-frame set, re-applications may be considered.

Please read the terms and conditions of an offer carefully, as they may include significant restrictions and/or requirements that must be carried out before expenditure or work on the proposal begins. Standard terms and conditions usually apply for a 5 year period.

## **CLAIMS**

Support under the Agriculture and Fisheries Grant Scheme will be paid retrospectively.

To submit a claim for payment, a successful applicant should request a claim form from the Department, which will need to be completed and returned, along with the original receipted invoices.

Any queries regarding the claim procedure should be directed to the Department of Environment, Food and Agriculture (Fisheries Division) on (+44) 1624 685838 or by emailing: [fisheries@gov.im](mailto:fisheries@gov.im).

- Inspection And Record Keeping

Applicants should keep records of invoices, accounts or any other document relating to work carried out under the scheme for six years from the date of final payment.

Officers of the Department may at any time, within the period stated within the Conditional Approval Document terms and conditions, request to inspect equipment funded under the scheme or any documents or records relating to the approved grant application.

## **PAYMENT OF APPROVED SUPPORT**

When a claim for payment is submitted for anything other than safety equipment, the Department will contact Isle of Man Treasury with regard to National Insurance, ITIP, Income Tax, VAT payments to ensure there are no outstanding government debts. To prevent any delay in processing payment, please ensure that all payments are current and up to date.

**Please be aware that in applying for support under the Agriculture and Fisheries Grant Scheme 2016 (as amended) that the applicant takes on any liabilities that may arise from breach of the conditions of the scheme.**

## **PUBLIC DISCLOSURE OF FINANCIAL ASSISTANCE PAID**

The applicant should be aware that the details of all financial assistance paid out under the Agriculture and Fisheries Grant Scheme (as amended) will be published in an annual report prepared by DEFA, which will also be laid before Tynwald, the Isle of Man's Parliament. They are therefore, not confidential to the applicant or company concerned. Applicants should also be aware that parliamentary questions may be raised on applicants.

## RIGHT OF APPEAL

- (1) A person may, within 28 days of the date of notification of a decision under this scheme, request in writing that the Department review the decision, stating the grounds on which the review is requested.
- (2) In the first instance, the application shall be reviewed by an officer of the Department who has had no involvement in the original application; this is known as a Stage 1 appeal.
- (3) Stage 1 appeal decisions are to be made and notified to the applicant within 30 days of the date the review request was received.
- (4) Following notification of the outcome of the review, if an applicant considers that the grounds for appeal have not been addressed, he or she may apply in writing to the Department requesting that the matter be referred to the Appeals Committee ("the Committee"). This is known as a Stage 2 appeal.
- (5) A Stage 2 appeal shall be heard and a recommendation made by the Committee within 90 days from the date a request for a Stage 2 appeal is received.
- (6) Applicants may opt to have either a written or oral Stage 2 appeal.
- (7) In the case of a written appeal, the appeal request document and all other relevant paperwork, including the review paperwork, shall be considered by the Committee in advance of the meeting without the appellant present.
- (8) In the case of an oral appeal the appellant shall receive all the paperwork which is to be considered by the Committee in advance of the appeal hearing and he or she will be invited to attend part of the meeting.
- (9) During the oral hearing the appellant shall be extended the opportunity to present his or her case and respond to the Committee's questions. Appellants may be accompanied and may wish to appoint someone to represent them.
- (10) Once the appeal hearing is complete, the appellant and anyone accompanying him or her shall leave the meeting and the Committee shall deliberate on the matter.
- (11) The Committee must send a recommendation to the Minister of the Department for consideration and final decision. The Minister must make the decision within 28 days from receipt of the Committee's recommendation, however, where an appeal is particularly complex, a further period of consideration may be required and the appellant shall be notified of this in writing.
- (12) The Department shall provide the appellant with written notification of the Minister's decision within 28 days of the date of the decision being made.
- (13) For the purposes of this scheme, the Committee shall be convened by the Department as required and shall consist of an industry representative, a Department representative who has not been involved in the original decision or the review and an independent person who has appropriate knowledge of the subject area.
- (14) The Department shall seek nominees to the Committee and maintain a list of those nominees along with a reference to their particular area of expertise. This list shall be available for inspection upon request.

- (15) The Committee when dealing with a Stage 2 appeal must —
  - (a) work within the parameters of the scheme;
  - (b) not award compensation; and
  - (c) make objective and evidenced recommendations in line with the scheme specifications.

## **APPEAL FEES**

- (1) An application for an appeal submitted in accordance with Section 16 of the Agriculture and Fisheries Grant Scheme 2016 (as amended) must be accompanied by the relevant fee as specified in the Agriculture and Fisheries Grant (Appeal Fees) Order 2019.
- (2) Any fee paid must be refunded where an appeal is successful.

## APPENDIX 1 – Fisheries Grant rates

<p><i>Column 1</i> <i>Kind of work, facility or improvement</i></p>	<p><i>Column 2</i> <i>% rate of grant</i></p>
<p><b>1. Sustainable fishing</b> All equipment can be leased or can be new equipment; for example;</p> <ul style="list-style-type: none"> <li>• creel pots</li> <li>• escape panels</li> <li>• methods to improve environmental protection</li> <li>• methods to reduce bycatch               <ul style="list-style-type: none"> <li>○ Includes training to increase the value of the bycatch</li> <li>○ Includes equipment to store the bycatch</li> </ul> </li> <li>• science, research and monitoring               <ul style="list-style-type: none"> <li>○ Provides project support costs</li> </ul> </li> <li>• low impact equipment</li> <li>• more selective fishing gear</li> </ul>	<p>up to 40%</p>
<p><b>2. Safety at sea</b></p> <ul style="list-style-type: none"> <li>• life-saving equipment</li> <li>• fire-fighting appliances               <ul style="list-style-type: none"> <li>○ Includes purchasing of firefighting equipment</li> <li>○ Includes training to use firefighting appliances</li> </ul> </li> <li>• radio equipment               <ul style="list-style-type: none"> <li>○ Includes training for VHS radio certificate</li> <li>○ Has to be fixed to the vessel and not portable</li> </ul> </li> <li>• navigation equipment               <ul style="list-style-type: none"> <li>○ Has to be fixed to the vessel and not portable</li> <li>○ Includes navigational chart and electronic equipment training by a recognised body</li> </ul> </li> <li>• Occupational safety               <ul style="list-style-type: none"> <li>○ Provision of safety manuals</li> <li>○ Fitting of guards on machinery</li> <li>○ Provision of emergency signs</li> <li>○ RNLi approved equipment / protection</li> </ul> </li> </ul>	<p>up to 40%</p>
<p><b>3. New skills/training</b></p> <ul style="list-style-type: none"> <li>• on/off-Island training/visits               <ul style="list-style-type: none"> <li>○ Does not include Hotel costs</li> <li>○ Off island visits will not include corporate hospitality</li> <li>○ Rates paid at the economy rate</li> </ul> </li> <li>• Funding for off-Island trainers to travel to Isle of Man</li> <li>• coaching/shadowing/facilitation               <ul style="list-style-type: none"> <li>○ Must have a training plan that is industry recognised / recognised by the Department</li> </ul> </li> </ul>	<p>up to 30%</p>
<p><b>4. Import substitution</b></p> <ul style="list-style-type: none"> <li>• gear for diversification to new species               <ul style="list-style-type: none"> <li>○ New equipment; outright purchase or lease</li> <li>○ Does not include the engine or steering systems</li> </ul> </li> <li>• aquaculture/mariculture               <ul style="list-style-type: none"> <li>○ Includes off island travel to review aquaculture production</li> <li>○ Economy rate only for travel costs</li> <li>○ Provision of equipment</li> </ul> </li> </ul> <p>Includes project support for new aquaculture trials</p>	<p>up to 40%</p>
<p><b>5. Diversification from current fishing activity</b></p> <ul style="list-style-type: none"> <li>• gear to support fishing opportunities               <ul style="list-style-type: none"> <li>○ Includes nets, jiggers, pots, creels</li> </ul> </li> <li>• Training</li> <li>• Tourism sector               <ul style="list-style-type: none"> <li>○ Includes Lifesaving equipment</li> <li>○ Training courses</li> <li>○ Equipment required for diving, fishing and sight seeing</li> </ul> </li> </ul>	<p>up to 80%</p>

**Anything deemed by the Department as eligible for funding, which does not fall into paragraphs 1 to 5, shall attract a percentage payment in respect of the total cost calculated by the Department on a case-by-case basis.**

## APPENDIX 2 – Example of a partial budget

### Section 3. Partial Budget

If your total expenditure is between £1,000 and £10,000 you will need to fill in this Section. For a worked example, please refer to Appendix I of the "Fisheries Grants Guidelines for Applicants – Executive Summary". For improvements costing £15,000 and over, you do not need to fill in this Section, you will need to complete a Business Case instead.

#### A. EXTRA COSTS

*Cost of making and fitting new net - £13,400*

Additional costs should include the purchase price of equipment. It may also include items such as;  
 additional crew costs;  
 fitting of equipment;  
 storage;  
 training.

Total Extra Costs = £ 13,400 (A)

#### B. EXTRA INCOME

*Projected increase in earnings- £15,000*

What is your estimated earnings potential from these improvements.

Total Extra Income = £ 15,000 (B)

#### C. COSTS REDUCED

*Yearly fuel costs - £3,000*

Will any of your costs be reduced? For example you may save money on fuel or reduced harbour duties.

Total Costs Reduced = £ 3,000 (C)

#### D. INCOME REDUCED

*Additional maintenance costs - £2,500*

Will any of your costs increase? For example your maintenance or fuel costs may go up.

Total Income Reduced = £ 2,500 (D)

Net Annual Benefit of Investment = (B+C) – (A+D) = £ 2,100 (E)

Net Cost of Investment (after grant) = £ 2,680 (F)

Return on Investment Percentage = (E ÷ F) x 100 = 78 %

*Typically, this figure will be at least 10%.*

Once you have completed this section, please go to Section 4.