

# **Marine Fund Scotland 2023-24: General Guidance notes**

**April 2023**

# Marine Fund Scotland 2023-24: General Guidance notes – V1 (April 2023)

## Introduction to the Marine Fund Scotland 2023-24

The Marine Fund Scotland for 2023-24 is focused on supporting projects that deliver outcomes relating to [Scotland's Blue Economy Vision](#), which was published on 31 March 2022.

These General Guidance notes set out information for people and organisations interested in applying to the Marine Fund Scotland 2023-24. This includes information on:

- Scotland's Blue Economy Vision
- the outcomes the Marine Fund Scotland aims to deliver
- what types of projects can and cannot be funded
- how to apply
- what information you need to apply
- how applications will be assessed

In these General Guidance notes:

- “You” means the applicant. “Applicant” means (as appropriate) the individual, business (including sole traders), organisation, charity, community group or other incorporated or unincorporated entity which is intended to benefit from an application for a grant and to whom the grant would be made. You can employ an agent or consultant to help you complete your application but you must sign the application.
- “We” or “us” means the Scottish Ministers (which, for this purpose includes (where appropriate) the Scottish Government's Marine Scotland Directorate and any of the Marine Scotland Directorate's officials, agents or representatives).
- A “public law body” is an organisation financed, managed or supervised by the UK Government, Scottish Government, Welsh Government or Northern Ireland Executive.

The information provided in these General Guidance notes should be taken as a guide to the grant funding available. If you have further questions after reading these Guidance notes, you can also contact us by emailing us at [MFS@gov.scot](mailto:MFS@gov.scot).

## What is Scotland's Blue Economy Vision?

Scotland's Blue Economy Vision is that, by 2045, Scotland's shared stewardship of our marine environment supports ecosystem health, improved livelihoods, economic prosperity, social inclusion and wellbeing.

- **“The Blue Economy”** means sustainable use of ocean resources for economic growth, improved livelihoods and jobs, while preserving the health of the marine and coastal ecosystem.

- **“Sustainable use of ocean resources”** means that we use our ocean resources to meet the needs of the present without compromising the ability of future generations to use the resources to meet their needs. This means preserving and protecting the marine environment for future generations.

This Vision was set out in [Scotland's Blue Economy Vision document](#) which was published on 31 March 2022. This document states that our seas, coasts, and interlinked freshwater environments, and the resources within them, are very important for Scotland's economy and national well-being. It recognises that this must be a two-way relationship where we have to take care of the natural environment and its resources.

The Blue Economy Vision document also states that Scotland's marine space and marine sectors are national assets that play an important part in meeting our ambitions as a society. These include our commitment to net zero carbon emissions by the year 2045, and our recovery from the COVID-19 pandemic and EU Exit.

- **“Net zero”** means reaching net zero emissions of greenhouse gases by reducing emissions of greenhouse gases as far as possible and enhancing uptake and storage of them, so that the gas emission and uptake/storage are balanced.

The importance of Scotland's marine sectors is also reflected in [Scotland's National Strategy for Economic Transformation](#), which was published on 1 March 2022. The NSET identifies sustainable marine management as an area of strong potential for future growth. However, it says that protecting and rebuilding Scotland's natural capital is key to the long-term productivity of the many sectors of our economy which rely on the resources and services nature provides, like the marine sectors.

- **“Natural capital”** is a way of thinking about nature (natural assets including geology, soil, air, water and plants and animals) as a stock that provides a flow of benefits to people and the economy. The flow of benefits and the capacity of nature to deliver those benefits both need to be maintained, including through investment in the maintenance and enhancement of the natural assets ([see Box 1 on page 15 of Scotland's Blue Economy Vision document for more information](#)).

## **Why is the Blue Economy Vision relevant to the Marine Fund Scotland?**

The Marine Fund Scotland 2023-24 is one of the ways that the Scottish Government will support Scotland's marine sectors to help Scotland achieve the Blue Economy Vision. Most of the outcomes that the Marine Fund Scotland 2023-24 aims to support are based on the outcomes in the Blue Economy Vision document.

The questions in the application process for the Marine Fund Scotland are designed to help us understand how your project will deliver against these Blue Economy outcomes.

The Marine Fund Scotland 2023-24 has also been designed to help support approaches in [Scotland's Future Fisheries Management strategy and Scotland's Strategy for Seafood](#).

## **What legislative powers are being used to deliver funding through the Marine Fund Scotland?**

Marine Fund Scotland grant funding is being given in exercise of Scottish Ministers' statutory powers to give financial assistance under the [Fisheries Act 2020](#) (the Fisheries Act). This financial assistance is given in accordance with the scheme (the Scheme) established by [The Aquaculture and Fisheries etc. \(Scheme for Financial Assistance\) \(Scotland\) Regulations 2022](#)<sup>1</sup> (the 2022 Regulations). The Scheme which the 2022 Regulations establish provides the framework for the Marine Fund Scotland 2023-24.

Scottish Ministers may award financial assistance through the Marine Fund Scotland in accordance with the Scheme, for a specific set of permitted purposes (the specific purposes). Only projects that deliver one or more of these specific purposes are eligible to apply to the Marine Fund Scotland.

The specific purposes for which Scottish Ministers may offer grant funding through the Marine Fund Scotland 2023-24 are<sup>2</sup>:

- a) the conservation, enhancement or restoration of the marine and aquatic environment<sup>3</sup>; including the conservation, enhancement or restoration of the natural beauty or amenity of marine or coastal areas, or of inland waters or waterside areas;
- b) the promotion or development of commercial fish or aquaculture activities<sup>4</sup>;
- c) the reorganisation of businesses involved in commercial fish or aquaculture activities;
- d) contributing to the expenses of persons involved in commercial fish or aquaculture activities;
- e) maintaining or improving the health and safety of individuals who are involved in commercial fish or aquaculture activities;
- f) the training of individuals who are, were or intend to become involved in commercial fish or aquaculture activities, or are family members<sup>5</sup> of such individuals;
- g) the economic development or social improvement of areas in which commercial fish or aquaculture activities are carried out;
- h) the promotion or development of recreational fishing.

Funding through the Marine Fund Scotland 2023-24 may only be given in relation to Scotland, the Scottish zone or Scottish fishing boats. Please note that whilst the Fisheries Act 2020 lists improving the arrangements for the use of catch quotas or effort quotas<sup>6</sup> as one of the specific purposes for which

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<sup>1</sup> SSI 2022/85

<sup>2</sup> The specific purposes for which Scottish Ministers may offer grant funding are set out at paragraph 1(1) of schedule 6 of the Fisheries Act 2020

<sup>3</sup> See section 52 of the [Fisheries Act 2020](#) for the definition of "the marine and aquatic environment".

<sup>4</sup> See section 52 of the [Fisheries Act 2020](#) for the definition of "commercial fish or aquaculture activities" and related definitions.

Scottish Ministers can provide funding using their Fisheries Act powers<sup>7</sup>, this activity is **not** eligible for funding under the Marine Fund Scotland 2023-24.

All references in these General Guidance notes (e.g. to assessment criteria, outcomes, types of projects that may apply, indicative projects, etc.) must be read and understood as those which fall within the scope of the specific purposes listed above.

This means that you should assume – even when the specific purposes are not repeated throughout this Guidance – that all references relate to these specific purposes only. Projects that do not fall within these specific purposes are not eligible to apply to the Marine Fund Scotland 2023-24. Any reference to the economic development or social improvement of a community, area or areas must be read and understood as concerning an area or areas in which commercial fish or aquaculture activities are carried out or a community within such an area.

It is important to note that, although projects may fall into one or more of the specific purposes listed above, this does not mean they are guaranteed an offer of funding through the Marine Fund Scotland. Whether or not an application for funding is successful depends on how well the project meets the outcomes that the Marine Fund Scotland 2023-24 aims to deliver. More on that is set out in the ‘How will applications to the Marine Fund Scotland 2023-24 be assessed?’ section of these General Guidance notes.

## **What types of projects can apply to the Marine Fund Scotland 2023-24?**

The Marine Fund Scotland is a relatively small fund and where possible we will seek to use it strategically to deliver wider benefits. Applications for projects that demonstrate wider collective benefit (e.g. positive outcomes for communities) over and above , or at least in addition to, benefits for an individual organisation, business or person, will be scored more highly. More detail about the approach to scoring applications is set out in the ‘How will applications to the Marine Fund Scotland 2023-24 be assessed?’ section of these General Guidance notes.

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<sup>5</sup> See schedule 6, paragraph 1(9) of the Fisheries Act 2020 for the definition of “family member”

<sup>6</sup> See section 52 of the [Fisheries Act 2020](#) for the definitions of “catch quota” and “effort quota”

<sup>7</sup> See schedule 6, paragraph 1(1)(h) of the Fisheries Act 2020

There is no comprehensive list of projects, sectors or groups that can apply to the Marine Fund Scotland. This is to ensure as much flexibility as possible to encourage and support innovative ideas.

However, to be eligible to apply, a project must:

- be within the scope of Scottish Ministers' grant funding powers under the Fisheries Act 2020, which are being relied upon (as set out in the 'What legislative powers are being used to deliver funding through the Marine Fund Scotland?' section of these General Guidance notes), in that the project falls within the specific purposes for which Scottish Ministers can offer funding and that the project is in relation to Scotland, the Scottish zone or Scottish fishing boats.
- meet the other eligibility criteria for the Marine Fund Scotland 2023-24 (as set out in the 'Eligibility criteria for the Marine Fund Scotland 2023-24' section of these General Guidance notes).
- clearly deliver benefits that are in line with the desired outcomes of the Marine Fund Scotland 2023-24 (as set out in the 'Outcomes for the Marine Fund Scotland 2023-24' section of these General Guidance notes).

We encourage applications for funding support for investments that have clear added value, in particular by addressing market failures or sub-optimal investment situations.

Some examples of the types of projects that may apply to the Marine Fund Scotland 2023-24 are at **Annex A**.

There are also some types of projects that Marine Fund Scotland funding cannot be applied for. These categories are listed in **Annex B**.

As in the Marine Fund Scotland 2021-22 and 2022-23, the Marine Fund Scotland 2023-24 will accept applications from new entrants seeking to purchase a first fishing vessel or a first share in a vessel ('young fishers'). These applications must meet additional eligibility criteria as well as the general eligibility criteria. More information is set out in the 'Young Fishers' section of these General Guidance notes.

The Marine Fund Scotland 2023-24 is a competitive grant funding scheme. There is no automatic entitlement to any funds and so there is no guarantee that your project will be offered funding, even if it is eligible to apply. Only those projects which are eligible **and** most clearly deliver on the outcomes for the Marine Fund Scotland 2023-24 will be supported.

In addition, where an offer of grant funding is made under the Marine Fund Scotland, this may not be for the full amount of funding applied for.

The Scottish Ministers set the criteria and outcomes for the Marine Fund Scotland. The assessment of applications against those criteria and outcomes, and the decision-making on whether to offer funding on the basis of the assessment, is done by officials from the Scottish Government's Marine Scotland Directorate. Any offer of grant funding from the Marine Fund Scotland is made by the Scottish Ministers through issuing a grant offer letter.

## Timescales

The Marine Fund Scotland 2023-24 is for projects starting and delivering in the 2023-24 financial year. At the time of publishing these General Guidance notes (April 2023), funding is only available for expenditure up to 31 March 2024. This means any purchases or work carried out on your project must have been completed and fully paid for by **31 March 2024**.

## Outcomes for the Marine Fund Scotland 2023-24

This section sets out the outcomes that the Marine Fund Scotland 2023-24 aims to support through grant offers. Each outcome is made up of a series of criteria. Assuming you are eligible to apply to the Fund, your application will be scored on the basis of how well it meets these criteria. Projects do not have to meet all of the criteria (nor therefore all of the outcomes) to be considered for a grant offer. More detail on how

projects will be assessed is set out in the 'How will applications to the Marine Fund Scotland 2023-24 be assessed?' section of these General Guidance notes.

This section also provides some examples of types of activity under the criteria for the Marine Fund Scotland 2023-24 outcomes. Activities of the type listed will only be eligible where they fall within the scope of the Scottish Ministers' legislative grant making powers which are being relied upon (as set out in the 'What legislative powers are being used to deliver funding through the Marine Fund Scotland?' section of these General Guidance notes).

The examples given here are not exhaustive and if an activity is included as an example, in this section or anywhere else in these Guidance notes, this does not guarantee an offer of grant funding.

Any offer of grant funding through the Marine Fund Scotland 2023-24 by the Scottish Ministers is discretionary as well as dependent upon the legislative grant-making powers that are being relied upon. **"Discretionary"** means that the Scottish Ministers are free to decide whether to offer grant funding or not and are not obliged to offer grant funding in relation to any application or project, even if an application meets all of the eligibility criteria. Therefore, there is no automatic entitlement to any grant funds.

## The Marine Fund Scotland 2023-24 outcomes and criteria

### Category: Innovation and economic benefit

Outcome 1: Established and emerging marine sectors are innovative, entrepreneurial, productive and internationally competitive.

To meet this outcome, your project should:

- explore, develop or deliver/implement innovative or entrepreneurial approaches/techniques (Criterion 1A);

- deliver measurable economic benefits for communities (and Scotland) in areas where commercial fish or aquaculture activities are carried out, in particular where people are experiencing poverty or disadvantage across different aspects of their lives (for example according to the [Scottish Index of Multiple Deprivation](#)) (Criterion 1B); or/and
  - where relevant, support the development of a skilled and well supported workforce through providing attractive opportunities for employment in areas in which commercial fish or aquaculture activities are carried out; and/or support training/re-training for the purposes of the economic development or social improvement of areas in which commercial fish or aquaculture activities are carried out. (Criterion 1C).
- **“Economic benefit”** means improvement in one or more economic measures (to the local communities and/or the wider economy of Scotland). These measures could include (but are not limited to):
- gross value added
  - labour market conditions (unemployment, skill shortages, etc.)
  - education
  - supply chain intelligence and resilience
  - price stability

Examples of types of activity under Criterion 1A:

For example, a project that will develop new technology, techniques, or look to use new approaches to modernise or improve the way in which something is done. This might include:

- delivery of technical developments in areas such as discard reduction.
- developing understanding of the challenges and changes that climate change poses for commercial fish and aquaculture businesses and ways in which they can adapt.
- supporting the delivery of scientific research and/or contributing towards an evidence base for new regulation, for example, to conserve, enhance or restore the marine and aquatic environment or to maintain or improve the health and safety of persons involved in commercial fish or aquaculture activities.
- collaboration between scientists and industry to develop commercial fish or aquaculture activities.
- delivery of relevant peer-reviewed research.
- development of a prototype(s) or delivery of a pilot(s).
- early development of marine start-ups involved in commercial fish or aquaculture activities.

Examples of types of activity under Criterion 1B:

For example, this might include:

- increasing local employment opportunities.
- developing local services.
- new entrants to the marine sectors.



Examples of types of activity under Criterion 1C:

For example, this might include:

- supporting the development and/or delivery of non-mandatory training, e.g. business or technical skills.
- promoting a diverse workforce.

### **Category: Sustainable, high quality seafood**

Outcome 2: Scotland is a global leader in healthy, quality, sustainably-harvested and farmed Blue Foods, for our own population and beyond.

To meet this outcome, your project should:

- demonstrate innovation in the growing and/or harvesting of marine animals and plants (“Blue Foods”) and/or improve animal health and welfare in order to:
  - improve sustainability, quality and/or nutrition of Blue Foods and/or
  - deliver a positive impact or a reduced negative impact on biodiversity (Criterion 2A);
- invest in the Scottish supply chain, promoting local vertical integration and clusters which work to develop the local supply chain and bring benefits for local communities (Criterion 2B);
- harness or create opportunities for Scotland’s marine produce to be widely available to and accessed by the people of Scotland (Criterion 2C); or/and
- where relevant, promote Scottish seafood abroad and help develop its international reputation and diversification into emerging and developing markets (Criterion 2D; noting that grant funding can only be offered in relation to Scotland, the Scottish zone or Scottish fishing boats).

Examples of types of activity under Criterion 2A:

For example, this might include:

- development or implementation of new practices that improve quality.
- reduction of negative effects on the wider ecosystem from artificial feeding, disease treatment, predator deterrents, etc. (where relevant).
- supporting a shift in target species of fishing vessels in response to species distribution changes contributed to by climate change.
- improving handling and refrigeration on board vessels.

Examples of types of activity under Criterion 2B:

For example, this might include:

- development/improvement of local sales infrastructure.
- development of innovative/consumer-friendly/affordable/accessible products.
- development of premium markets.
- retaining value within coastal communities.

Examples of types of activity under Criterion 2C:

For example, this might include:

- investment in additional sustainable landing and processing capacity.
- investment in aquaculture production and processing capacity.
- development of product lines for Scottish consumers from underutilised or exported species, such as mackerel, herring, nephrops and by-catch species.

Examples of types of activity under Criterion 2D:

For example, this might include:

- development of local offshore/onshore communication hubs and strategic plans.
- enhancing supply chain resilience, such as improved cold storage.

### **Category: Achieving net zero**

Outcome 3: Scotland's Blue Economy is resilient to climate change, contributing to climate change mitigation and adaptation, with marine sectors decarbonised, resource efficient and supporting Scotland's Net Zero commitments.

To meet this outcome, your project should:

- support a transition to low/zero carbon practices, including in supply chains – reducing reliance on fossil fuels, reducing carbon emissions (greenhouse gas emissions), reducing food miles, establishing low carbon routes to market, etc. (Criterion 3A); or/and
- where relevant, reduce, recycle or reuse waste products (Criterion 3B).
- **“Climate change mitigation”** means reducing human-induced climate change by reducing greenhouse gas emissions and increasing the uptake and storage of them.
- **“Climate change adaptation”** means living with, and increasing the resilience to the impacts of climate change, addressing climate risks and opportunities.

Examples of types of activity under Criterion 3A:

For example, this might include:

- testing novel engine technologies to support climate change mitigation, as part of a study or trial to test feasibility and impact.
- support for industry to identify/develop and adopt low/zero carbon practices.
- developing the use of renewable energy in the course of carrying out or supporting commercial fish or aquaculture activities.

Examples of types of activity under Criterion 3B:

For example, this might include:

- removal of marine litter.
- removal of “ghost” fishing gear.
- promotion of circular economy approaches.
- adoption at scale of alternatives to single-use plastics/non-recyclable materials.
- waste reduction.
- improving waste management of end-of-life fishing gear or marine litter.

### **Category: Successful communities**

Outcome 4: Thriving, resilient, regenerated, healthy communities have more equal access to the benefits that ocean resources provide.

To meet this outcome, your project should:

- deliver measurable social benefits for communities in Scotland in areas where commercial fish or aquaculture activities are carried out, in particular where people are experiencing poverty or disadvantage across different aspects of their lives (for example according to the [Scottish Index of Multiple Deprivation](#)) (Criterion 4A); or/and
  - where relevant, support community-led local development for the purposes of the economic development or social improvement of areas where commercial fish or aquaculture activities are carried out (Criterion 4B).
- **“Social benefits”** means improvements in one or more possible social measures, including qualitative measures (to the local communities or the people and/or wider economy of Scotland). These measures could include (but are not limited to):
- community cohesion
  - education
  - income and job security
  - health and wellbeing
  - access to green and blue space
  - community resilience

to the extent that these fall within Scottish Ministers’ statutory grant funding powers which are being relied upon, in accordance with the Scheme established by the 2022 Regulations.

Examples of types of activity under Criterion 4A:

For example, this might include:

- local infrastructure projects or community projects for the purposes of the economic development or social improvement of areas where commercial fish or aquaculture activities are carried out.
- educational projects that help communities to understand, protect and connect to their local water environment.

- projects that promote recreational angling as a low carbon, nature-based activity that increases health and wellbeing.

Examples of types of activity under Criterion 4B:

For example, this might include:

- establishing local co-operatives.
- providing opportunities for people to participate in governance and decision making forums about Scotland's sea, coasts and interlinked freshwater environments.

### **Category: Delivering quality projects**

Outcome 5: Projects funded by the Marine Fund Scotland 2023-24 represent value for money, are delivered successfully, show clearly how they have met their outcomes, and share lessons so that projects can develop and improve in the future.

To meet this outcome, your project must:

- be able to demonstrate that it is good value for money (Criterion 5A). The return on investment may be wider than a financial return, and might include: reduction in waste, reduced resource consumption, increased community socioeconomic benefit, etc; **and**
  - be deliverable within the planned budget, i.e. you must set out clear time frames, key milestones, risks and mitigations for delivering your project (including the impact of considering global supply chain fragility and the need to consider appropriate contingencies, etc., where relevant) (Criterion 5B); **and**
  - be clear how delivery against the Marine Fund Scotland 2023-24 outcomes will be achieved and demonstrated (Criterion 5C).
- **“Value for money”** is the optimal use of resources to achieve the intended outcomes.

### **Eligibility criteria for the Marine Fund Scotland 2023-24**

All applications to the Marine Fund Scotland 2023-24 will first be assessed against a number of eligibility criteria. Applications must meet all of these eligibility criteria in order to move to the next stage of the assessment process. Applications from new entrants to the fishing sector are required to meet additional eligibility criteria on top of the general eligibility criteria. These additional criteria are set out in the 'Young Fishers section' of these Guidance notes.

The eligibility criteria for the Marine Fund Scotland 2023-24 are as follows:

- the proposed project is within the scope of Scottish Ministers' grant funding powers under the Fisheries Act 2020, which are being relied upon (as set out in the 'What legislative powers are being used to deliver funding through the Marine Fund Scotland?' section of these General Guidance notes), in that the

project falls within the specific purposes for which Scottish Ministers can offer funding and that the proposed project is in relation to Scotland, the Scottish zone or Scottish fishing boats.

- the proposed project must not be in any of the categories that Marine Fund Scotland funding cannot be applied for (as set out at **Annex B**).
- any fisheries subsidies must not increase the catching capacity of the fishing vessels or assist with the targeting of fish stocks.
- any subsidies must not support illegal, unreported and unregulated fishing.
- any subsidies being applied for will not enable an increase in activities that would negatively affect the exploitation of fish stocks.
- applicants (persons, organisations, businesses, etc.) have not committed an offence that the Scottish Ministers consider to be a 'serious infringement' within the last 36 months (or longer, depending on the severity of the infringement), or of fraud. 'Serious infringements' are defined in **Annex C** of these General Guidance notes. Applicants must immediately notify us at [MFS@gov.scot](mailto:MFS@gov.scot) if they or any other partner(s) in the project (or their organisation) is found to have committed fraud or a serious infringement prior to submitting the application or at any time up to five years from the date of receiving the final instalment of the grant.
- applicants are solvent and are able to undertake the work paid for by the grant.
- the funding being applied for, together with business capital and any approved loans, is sufficient to complete the project fully and successfully within the timescales set out in the application.
- there is sufficient capital and/or loans to complete the project in full, or the relevant phases of the project, prior to payment in full of any Marine Fund Scotland grant (offered at the applicable grant rate, which can be up to a specified maximum percentage of the total eligible project costs or total eligible costs of project phases). For further explanation of grant rates, see the 'Grant rates' section of these General Guidance notes.
- applicants have all necessary legal permissions for the project in place, such as relevant licences, outline planning permission, etc., and provide evidence of this.
- applicants set out their commitment to the [Fair Work First](#) criteria in a way that is relevant and proportionate for their organisation and confirm they are providing appropriate channels for effective workers' voice and paying at least the real Living Wage. More information on the Fair Work First criteria and what this means is provided in the 'Fair Work First' section of these General

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- any parent companies/parties with an interest in the application do not have interests or priorities that conflict with the intended outcomes of the Marine Fund Scotland 2023-24.

Applicants/applications will be asked to disclose any and all links to Russia or Belarus (including through parent companies, Persons of Significant Control, etc.). Any applications with links to Russia or Belarus will be subject to legal advice and could be rejected.

Applicants will also be asked to disclose any relevant funding they have received from the Scottish Government (including the Marine Fund Scotland and the European, Maritime and Fisheries Fund (EMFF)) within the last five financial years, to allow checks to be made on whether conditions attached to previous funding were complied with.

If you aren't sure whether your project is eligible to apply to the Marine Fund Scotland 2023-24, feel free to get in touch. We can be contacted at [MFS@gov.scot](mailto:MFS@gov.scot).

As will be set out in any grant offer letter issued to a successful applicant for funding, the Scottish Ministers may re-assess, vary, make a deduction from, withhold, or require immediate repayment of the grant or any part of it in certain circumstances. These circumstances include the event that in the Scottish Ministers' opinion, the grant is likely to bring the reputation of the Scottish Ministers into disrepute. This may include the identification of any links between the applicant, or use of the grant, with Russia or Belarus.

## Fair Work First

Fair Work First is the Scottish Government's flagship policy ([Fair Work First guidance](#)) for driving high quality and fair work, and workforce diversity across the labour market in Scotland by applying fair work criteria to grants, other funding and public contracts being awarded by and across the public sector, where it is relevant to do so.

In carrying out their project, all Marine Fund Scotland grant recipients will be expected to give due regard to the [Fair Work Framework](#). All applicants to the Marine Fund Scotland 2023-24 are therefore asked to commit to the following Fair Work First criteria in a way that is relevant and proportionate for their organisation:

- appropriate channels for effective voice, such as trade union recognition.
- investment in workforce development.
- no inappropriate use of zero hours contracts.
- action to tackle the gender pay gap and create a more diverse and inclusive workplace.
- payment of the real Living Wage.
- offer flexible and family friendly working practices for all workers from day one of their employment.
- oppose the use of fire and rehire practice.

As part of the application process for grant funding, applicants are asked to provide a statement verifying their Fair Work First commitment and confirming it has been developed in agreement with the workforce. This would not apply where the jobs relate to workers who are a 'share fisherman' who are classed as self-employed by HMRC. In this case, a statement would not be required.

All grant recipients awarded a Marine Fund Scotland grant will be required to pay at least the real Living Wage and provide effective workers' voice as a minimum standard. The conditionality pay at least the real Living Wage applies to all UK-based staff aged 16 and over, including apprentices, who are directly employed by the grant recipient, and any UK-based workers who are not directly employed but are directly engaged in delivering the grant-funded activity, whether they be sub-contractors or agency staff. Further information on both the real Living Wage and effective workers' voice conditionality can be found in the Scottish Government's [Fair Work first guidance](#).

## Young Fishers

As mentioned earlier in these General Guidance notes, the Marine Fund Scotland 2023-24 will accept applications from new entrants seeking to purchase a first fishing vessel or a first share in a vessel ('young fishers').

For these applications:

- the maximum grant rate that can be applied for is 40% of the overall cost.
- the grant rate is applied to the cost of the vessel or share, not the cost of a licence or quota.
- the maximum grant amount that can be applied for is £75,000 per applicant.
- the maximum total grant amount that can be applied for over multiple applications relating to the same vessel is £150,000.
- only vessels up to 24 metres (overall length) are eligible.

Applications from young fishers must meet additional eligibility criteria as well as the general eligibility criteria that are listed in the 'Eligibility criteria for the Marine Fund Scotland 2023-24' section of these Guidance notes.

The additional eligibility criteria that applications from young fishers must meet and will need to provide evidence for in their application are as follows:

- the applicant must be under 40 years old.
- the vessel must be a registered fishing vessel in the UK.
- the vessel must be a least three years old.
- the vessel must have a safety certificate.
- the applicant must submit an independent valuation of the vessel.
- for vessels up to 16 metres in length, the applicant must have at least 3 years' commercial fishing experience (beginning at the earliest from the age of 18).
- for vessels from 16 metres to 24 metres in length, the applicant must have 5 years' commercial fishing experience (beginning at the earliest from the age of 18).
- the applicant must submit a personal statement with their application, explaining why they are looking to purchase a vessel and explaining any wider benefits of the purchase beyond their own benefit, for example benefits for the community, or creation or retention of jobs as a result of the purchase.

If successful, you must complete the purchase and registration of the vessel to confirm ownership by 31 March 2024 or your offer of funding may be rescinded.

For young fishers whose applications to the Marine Fund Scotland 2023-24 are successful, please note that in order to claim the grant funding you will need to submit:

- confirmation of ownership of the vessel/share, e.g. certificate of registry.
- a completed post-purchase outcomes assessment questionnaire, which we will provide.

If you want to apply for funding as a young fisher but are unsure of the amount of funding you are able to apply for or have other questions, feel free to contact us at [MFS@gov.scot](mailto:MFS@gov.scot).

### **Young fishers who want to apply and who have identified a vessel to purchase**

If possible, you should identify the vessel you plan to purchase at the point of application, and supply all supporting documentation to address the eligibility criteria for the vessel as listed above (vessel age, size, UK registered, safety certificate and valuation).

If the purchase of the vessel or the share in the vessel falls through, **you must notify us immediately**. You must then follow the steps below for those who have not identified a vessel.

Please note that it is your responsibility to make sure that the vessel meets the relevant eligibility criteria. If you are unsure whether a vessel meets the eligibility criteria, you can contact us on [MFS@gov.scot](mailto:MFS@gov.scot) with the name of the vessel you are planning to purchase and we can help you to check this.

### **Young fishers who want to apply but have not yet identified a vessel to purchase**

You can still apply for funding if you have not yet identified a specific vessel to purchase. In this case, you must complete the application form as fully as possible, attaching all other relevant information and supporting documentation.

If your application for Marine Fund Scotland funding is successful, you will need to identify the vessel you have purchased at the claim stage in order to complete your grant claim. You will need to provide supporting documentation with your claim to demonstrate that the vessel meets the relevant eligibility criteria, as listed in the 'Young Fishers' section above (e.g. on vessel age, size, UK registered, safety certificate and valuation). If the vessel you have purchased does not meet these criteria, then your offer of funding may be rescinded.

Please note that it is your responsibility to make sure that the vessel that you plan to purchase on the basis of your successful application for Marine Fund Scotland funding meets the eligibility criteria before you purchase it. If you are unsure whether a vessel meets the eligibility criteria, you can contact us on [MFS@gov.scot](mailto:MFS@gov.scot) with the name of the vessel you are planning to purchase and we can help you to check this.



## Subsidy Control and the Windsor Framework

### General subsidy control

The subsidy control principles in the World Trade Organisation Agreement on [Subsidies and Countervailing Measures](#) and in the Free Trade Agreements that the UK Government negotiates with countries following EU Exit ([UK Trade Agreements in effect](#)) currently apply to the Marine Fund Scotland.

- A “**subsidy**” in this context means financial assistance which is given by a public authority, is specific and confers an economic advantage on one or more enterprises, and affects international trade. Not all grants awarded from the Marine Fund Scotland 2023-24 will fall into the category of a subsidy. The [Scottish Public Finance Manual](#) has more information about what a subsidy is and what subsidy control means. The UK Government’s Department of Business, Energy & Industrial Strategy has also produced [guidance on the UK’s international subsidy control commitments](#).

### The Windsor Framework

Further to the announcement of the Windsor Framework between the UK and EU, potential applications from businesses based in Northern Ireland, or from businesses who export goods to Northern Ireland, or to the EU via Northern Ireland, or who are in receipt of other forms of subsidy, should contact us for further advice before making an application.

### Key information

This section of these General Guidance notes sets out key information that is relevant to all potential applicants to the Marine Fund Scotland 2023-24. All potential applicants should read this section in full before starting their application.

- you cannot apply for funding for a project that has already started, is part-way through, or has completed.

- projects should only begin after the applicant has received an email confirmation from us that we have received the application to the Marine Fund Scotland for funding for the project. However, please note that any costs incurred between receiving a confirmation from us that we have received the application and (if an application is successful) receiving a formal grant offer letter **are incurred at an applicant's (or their organisation's) own risk.** This is because applying to the Marine Fund Scotland does not guarantee approval of funding even if the project may meet the Fund's eligibility criteria and outcomes. While costs incurred by an applicant (or their organisation) during this period are potentially eligible for funding if an application is successful, the eligibility of such costs is not guaranteed. The decision on the eligibility of such costs is entirely at our discretion.
- you can employ an agent or consultant to help you complete your application but you must sign the application. You will be responsible for ensuring that all of the terms and conditions of 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 agents or consultants. In particular, this means that you will be expected to retain ownership of the project which is being grant funded.
- if your application is successful, you will receive a grant offer letter which will set out the conditions attached to your grant offer, a schedule for claims, and other relevant information. You will not receive the funding at that stage. You must actively submit a claim(s) to us for the grant funds after you have incurred the expenditure.
- **grant funds are paid in arrears, on receipt of a completed claim for grant.** This means that you/your project will only be able to claim for, and be paid, the grant funding after you have received and paid for the item or service, etc., for which you have applied for the grant.

This means grant payments cannot be made in advance of expenditure. However, you can submit multiple claims throughout your project in phases, as your project progresses. For example, you could submit a claim for the first half of your grant funding a quarter of the way through your project if you have incurred the expenditure for half of your total eligible costs at that stage. We encourage claims to be made in this way if possible (i.e. grant claims for payments of grant in instalments), instead of projects submitting one single claim at the end of the project or the financial year for the full grant amount. This can improve your cashflow but also makes it easier for us to manage the volume of claims throughout the year and also means we have a better idea of how projects are progressing.

- all grant-funded work and all expenditure relating to the grant-funded work must be completed in line with the agreed dates set out in the grant offer letter. If you do not submit your claim(s) within the timeframes within the grant offer letter, then Scottish Ministers will be under no obligation to pay unclaimed grant amounts to a grant recipient, unless this has otherwise been agreed in writing by the Scottish Ministers. If you think you may be in exceptional circumstances that would affect your ability to submit your claims

in full within the timescales in your grant offer letter, **you must contact us at [MFS@gov.scot](mailto:MFS@gov.scot) as soon as you find out**, and at least before the date the claim is scheduled to be made in terms of the grant offer letter.

- all projects applying to the Marine Fund Scotland 2023-24, where relevant, are expected to include information in their application that shows they understand the impact of their project on biodiversity and/or natural capital, and are taking appropriate steps to monitor, and reduce, mitigate or eliminate any negative impacts and enhance any positive impacts relative to their current position.

This reflects the requirement to meet the current and expected new targets under the Convention on Biological Diversity, which include eliminating incentives harmful for biodiversity, in a just and equitable way, ensuring that public and private economic and regulatory incentives are positive for biodiversity.

- if you are offered grant funding, then submitting any required progress and end of project reports and complying with any required post-project monitoring requirements will be formal contractual conditions of your grant and will be set out in your grant offer letter. It will be your responsibility as a grant recipient to ensure that the reporting and monitoring requirements for your project are met. More information on this is provided in the 'Monitoring and reporting' section of these Guidance notes.
- failure to meet any of the grant conditions in the grant offer letter could lead to Scottish Ministers taking action under the contractual grant Agreement, which could include (but is not limited to) varying the amount of grant offered, making a deduction from the amount of grant offered, withholding any unclaimed grant amount, or requiring immediate repayment of all or part of the grant.
- if your project is seeking to invest in natural capital, you should show in your application that you are aligned to the [Interim Principles for Responsible Investment in Natural Capital](#) – as far as possible, as some of the interim principles are currently focused on land use.
- tackling child poverty is a key national mission for the Scottish Government and for Scotland. Applicants to the Marine Fund Scotland 2023-24 are encouraged to consider including in their application information on how their project can support or align to the mission in the Scottish Government's [Best Start, Bright Futures: tackling child poverty delivery plan 2022 to 2026](#) which is: "to create a fairer, more equal country where all children and families are supported to flourish".
- as will be set out in the grant offer letter, all Intellectual Property (IP) Rights (whether or not registered) in any materials or works in whatever form which are created, produced or generated as part of a grant-funded project by or on behalf of a recipient of Marine Fund Scotland 2023-24 grant funding will be assigned to and shall vest in the Crown or its assignees.

- projects that are awarded a grant from the Marine Fund Scotland 2023-24 may be asked to sign up to pilots or studies as a condition of their grant. These will be detailed after the grant application is received and assessed, but before a grant offer letter containing the contractual conditions of the grant is issued. Depending on pilot and study dates over the course of the year, different pilots or studies may be relevant to applications made at different times of the year or to projects which are carried out at different times of the year.

## **How do I apply to the Marine Fund Scotland 2023-24?**

Applications to the Marine Fund Scotland 2023-24 should be completed in the dedicated [Marine Scotland Funding Portal](#).

Please register on the Marine Scotland Funding Portal, complete the online application form, and ensure that all relevant documentation is attached before submitting your application.

If the application you submit is incomplete, it will be put on hold and will not be progressed until you have provided us with all of the information that is required. We will send you an email to let you know we have had to put your application on hold, and what further information we need to process your application. When you have provided the further information and we consider your application complete, we will confirm by email that your application has been taken off hold and will be processed.

The 'Key information' section of these General Guidance notes sets out that any costs incurred between receiving a confirmation from us that we have received an application and (if an application is successful) receiving a formal grant offer letter are incurred at an applicant's (or their organisation's) own risk.

If you have any problems with, or questions about, the e-system feel free to contact the team at [MFS@gov.scot](mailto:MFS@gov.scot).

## **What documentation will I need to complete my application?**

This section sets out what documentation you will need to complete and/or provide to submit your application to the Marine Fund Scotland 2023-24 on the Marine Scotland Funding Portal. We may ask you for additional information or documentation that is not listed

here, if this is necessary for assessing your application. This may vary depending on your/your organisation's status, the type of project/work for which you are applying for funding, and the size of grant you are applying for.

## **Financial documentation**

We need to carry out a series of checks on all grant applicants to confirm they are suitable to receive a grant award. This is called due diligence. To enable these checks to be completed, certain documents and/or information must be included in the application, either within or in addition to the business case.

The following documents **must** be submitted as part of each application (where applicable):

- last two years of signed (and preferably audited) financial statements, including:
  - profit and loss account
  - balance sheet
  - Directors' report
- details of:
  - internal/external audit function
  - policies on fraud, bribery and corruption
  - cash flow forecast

Depending on your/your organisation's status and the type of project/work for which you are applying for funding, you may also need to provide:

- confirmation you have contacted the Maritime and Coastguard Agency (MCA) regarding changes to your vessel, such as engine replacements, structural modifications or additions (vessels only). Responsibility for any work undertaken which renders a vessel unstable or unsafe remains entirely with the owner/skipper of the vessel. See further details in the 'Additional rules and obligations' section of these General Guidance notes.
- MCA Fishing Vessel Safety Certificate (vessels and young fishers).
- valid form of identification (ID) such as a current driver's licence or passport (we accept scanned copies). This is a requirement for sole traders and each partner in a partnership. Unincorporated associations or community groups must provide ID to verify the nominated person submitting the application on behalf of the group or association.
- evidence of engagement with impacted or affected persons, bodies or organisations, including those who may be negatively impacted.
- letter(s) of support from relevant bodies, individuals, or organisations supporting your application and the benefits you say it will deliver. For young fishers, a letter of support may include an employment reference supporting the applicant in their required level of experience to apply for funding.
- quotes for costs to be incurred:
  - **for public law bodies**, applicants must follow the relevant procurement rules that apply to them and the value of the work for which they are applying for funding.
  - **for private applicants:**
    - if the eligible quote is up to £1,500 (inclusive) – at least one quote must be provided.
    - if the eligible quote is from £1,500.01 up to £5,000 (inclusive) – at least two quotes must be provided or a comment must be entered into the e-system application explaining why at least two quotes have not been provided.
    - if the eligible quote is from £5,000.01 up to £50,000 – at least three quotes must be provided or a comment must be entered explaining why at least three quotes have not been provided.
    - if the eligible quote is equal to or over £50,000.01 – three quotes or evidence of tender including evidence of the evaluation system used, details of the chosen tender and scoring, is required.
- company/charity and Value Added Tax (VAT) registration numbers.
- organisation headcount and details of anonymised equality diversity monitoring information, including relating to the [protected characteristics in the Equality Act 2010](#).

## How will applications to the Marine Fund Scotland 2023-24 be assessed?

### Eligibility checks (stage one)

All applications submitted to the Marine Fund Scotland 2023-24 will first go through technical, due diligence, and eligibility checks. These include checking that all of the applications are fully completed and all of the required supporting information and/or documentation has been provided.

If an application is complete, meets all of the eligibility criteria, all relevant documentation has been included, and is not in breach of the rules and obligations listed in the 'Additional rules and obligations' section of these General Guidance notes, the application will move onto the second stage of the assessment process. This second stage is the outcomes assessment.

### Outcomes assessment (stage two)

In the outcomes assessment, each application will be scored for how well it meets the outcomes for the Marine Fund Scotland 2023-24 (as listed in the 'Outcomes for the Marine Fund Scotland 2023-24' section of these Guidance notes), which support Scotland's Blue Economy Vision. Each outcome is made up of a series of criteria. All projects will be assessed and scored against all criteria and therefore all outcomes.

For each criterion, a project will be given either a:

- positive score (meaning it meets the criterion);
- negative score (meaning it delivers things that are contrary to the criterion); or
- 'not-applicable' score (meaning the project is not relevant for the criterion).

The framework that will be used to score applications is set out in more detail at **Annex D**.

**Projects do not have to meet all criteria to be successful.** However, all projects **must** achieve a positive score for **all of the criteria under Outcome 5** – “Delivering quality projects” in order to be considered for an offer of grant .

Projects that meet more criteria will receive a higher total score. The total score for each outcome (and the application as a whole) will be used to make a decision about which projects will be offered grant funding.

The outcomes assessment will be carried out by officials from the Scottish Government's Marine Scotland Directorate who cover a range of different topics and policy areas. The application scores will then be considered together by a small group of officials ('the assessment panel'). The assessment panel will make the final decisions on which applications will receive an offer of grant, based on the scores each application has received. Projects that score most highly are most likely to receive a grant offer.

## Monitoring and reporting

All projects that are successful in applying for grant funding from the Marine Fund Scotland 2023-24, regardless of how much funding they are applying for, must be able to demonstrate (report) to the Scottish Government that they have met the outcomes they said they would deliver with their project, within the planned timescales, and how they have done this. This is usually in the form of written reports, and if you are successful in applying for a grant, you will be provided with a template for this reporting. These arrangements will depend on the type of your project and will be proportionate to the value of your grant offer. As well as demonstrating progress in achieving objectives and outcomes, the project reporting must also include actual expenditure to date compared with profiled expenditure and any change to estimated expenditure for the financial year and/or the project as a whole, and the reasons for any such changes. Projects applying for grant funding above £100,000 must submit a full monitoring and evaluation strategy as part of their application to the Marine Fund Scotland, setting out how they will report on progress toward the stated outcomes of the project and evaluate the project.

All applicants should set out in their application the milestones, and where relevant any targets, that they will use during their project (and, where relevant, over the longer-term beyond the end of the grant) to monitor how well they are progressing towards achieving the project's overall objectives and outcomes. If you are successful in your application for grant funding, the milestones and targets you have set out to achieve will be included in your grant offer letter, alongside details of the schedule for reporting to us, as mentioned above. We will use progress against the milestones and targets to assess whether you have achieved your project's objectives and outcomes.

Some examples of targets that may be relevant for your project are included at **Annex E**. Evaluation Support Scotland also has some useful free resources to help projects with planning for monitoring and evaluation, [Evaluation Support Scotland](#).

Projects that are longer than 6 months must provide at least one progress report during the project (during the financial year 2023-24), as well as the end of project (end of grant) report. We can agree the timescales for these with you and the relevant deadlines will be set out in your grant offer letter.

After you have made your final grant claim and have submitted your end of grant report, you may be required to submit annual post-project monitoring updates for up to a further five years. This is to monitor any lasting impacts beyond the period of the grant. You should set out any longer-term objectives/outcomes beyond the period of the grant in your business case.

Any requirements and timescales for post-project monitoring will be set out in the grant conditions in your grant offer letter. If you have set milestones beyond the end of your project's grant funding period, you should report against those milestones, ideally once you reach a milestone within that year.

As set out in the 'Key information' section of these Guidance notes, submitting any required progress and end of project reports and complying with any required post-



project monitoring requirements will be formal contractual conditions of your grant and will be set out in your grant offer letter. It will be your responsibility as a grant recipient to ensure that the reporting and monitoring requirements for your project are met.

Applicants making an application relating to fishing will also be asked to report information on the fisheries stocks that they currently target.

Applicants making an application relating to testing novel engine technologies to support climate change mitigation will also be asked to provide insights/data that can be used to guide decisions in future years of the Marine Fund Scotland on funding for engine replacements/modifications to support climate change mitigation. The format of this insights-gathering will be set out in the grant offer letter.

If during your project you want to change any of the targets or milestones against which your progress in achieving your objectives/outcomes is monitored, please contact us at [MFS@gov.scot](mailto:MFS@gov.scot). You will need to set out a clear reason for any changes and may need to provide supporting evidence. Any proposed changes to the targets or milestones for your project will be subject to the written agreement of the Scottish Ministers.

## **Additional rules and obligations**

This section sets out additional rules and obligations for those applying to the Marine Fund Scotland 2023-24. These are:

- it is essential that applicants are open, honest and accurate when making applications to the Marine Fund Scotland 2023-24. It is a criminal offence to supply information in the application, supporting documents or in any additional information or documentation provided following a request from us, knowing it to be false or not believing it to be true, and you may be liable to a fine or imprisonment if you do so.
- the Scottish Ministers (which, for this purpose, includes officials within the Scottish Government's Marine Scotland Directorate) will scrutinise your application and may from time to time conduct random checks on your application and the supporting documents, including contacting proposed suppliers. In the event of irregularities, Scottish Ministers may in their absolute discretion refuse applications.
- in the event that false or inaccurate information is discovered, the Scottish Ministers will give consideration to investigating the matter further and may take such enforcement action, including reporting the matter to Police Scotland or any other law enforcement agency, as they consider appropriate. In such circumstances the Scottish Ministers may also seek to recover any grant paid.
- if your project is approved and a grant offered, specific contractual grant conditions will apply and these will be specified in the grant offer letter in accordance with the Scheme established by the 2022 Regulations. These

grant conditions are not set out fully in these General Guidance notes and you must refer to any grant offer letter received for the full grant conditions applicable to any offer of grant. Any breach of these grant conditions may lead to recovery of any grant paid, and if necessary the Scottish Ministers may seek recovery through appropriate criminal or civil action.

- if you are offered a grant and the grant is not used for the purpose for which it was granted, the Scottish Ministers may seek recovery of any grant paid through appropriate criminal or civil action.
- it is the responsibility of each applicant and/or their organisation (as appropriate) to ensure that the project for which they are applying for funding complies with all relevant health and safety legislation, any other project-specific safety requirements, and all other relevant laws.
- if your proposed project involves modification to a vessel you **must** contact the Maritime and Coastguard Agency (MCA) to determine the effects of the modifications on the vessel's safety and stability, before submitting an application to Marine Fund Scotland. See the [statutory guidance MIN 593 \(F\) Amendment 1 Vessel modifications - pre-approval by MCA](#) for further details. Please confirm the date on which you contacted the MCA in the documents accompanying your Marine Fund Scotland application. All installation and/or modification work undertaken by the owner/skipper of the vessel must meet all relevant MCA safety/stability requirements, whether funded by Marine Fund Scotland grant funding or otherwise. Responsibility for any work undertaken which renders a vessel unstable or unsafe remains entirely with the owner/skipper of the vessel.
- where there is a close connection between an applicant (or their organisation) or one of their close relatives or a partner(s) in a project and a company or companies that will supply goods and services to that project, the eligibility of the project costs associated with said company or companies shall be entirely at our discretion.
- receipt of funding from another public source may affect your/your organisation's ability to access Marine Fund Scotland funding. We may withhold, withdraw or require grant funds to be repaid in whole or in part depending on the source, value, and conditions of other public funding. Any application for Marine Fund Scotland funding must disclose the source(s) and amount(s) of any other funding awarded in connection with the project in question. If any further awards of public funding are made in relation to a project after the related application has been submitted to us, the applicant (or their organisation) must inform us as soon as reasonably possible after this award.

## Appeals

This section sets out what you should do if you wish to appeal a decision taken by us in connection with the Marine Fund Scotland 2023-24 and which directly relates to you or your organisation – for example, a decision about your application for Marine

Fund Scotland funding, about a grant offer you or your organisation receives from the Scottish Ministers, or about a grant claim you or your organisation submit.

You have 28 working days from the date of the letter or email from us that notifies you or your organisation of the decision you wish to appeal, to ask us to review the decision and provide the reasons for your appeal. You can submit an appeal through the Marine Scotland Funding Portal, or in writing to us by email to [MFS@gov.scot](mailto:MFS@gov.scot). An appeal can only be made on the basis of the information and supporting documents which were submitted to us in connection with and prior to the decision which is being appealed, for example, the information and supporting documents comprising your application or a specific grant claim. You cannot add new information at this stage which we were previously unable to consider at the time of making the decision which is being appealed.

An independent appeals officer (from within the Scottish Government's Marine Scotland Directorate but independent of the Marine Fund Scotland team and process) will then consider your appeal. If you are appealing a decision to decline your application for funding, the independent appeals officer will consider your application against the Marine Fund Scotland's eligibility and assessment criteria.

The appeal will either pass (which means the original decision is overturned) or the appeal will fail and the original decision will be upheld. We aim to notify you of the outcome of your appeal within 6 weeks of receiving it and what the next steps are, if your appeal is successful. If your appeal is unsuccessful, the appeal decision is final and no further correspondence will be entered into in respect of the appeal or the decision in question.

If your appeal against a decision to decline your application for funding is unsuccessful, you cannot re-apply on the basis of the same application details and supporting documents. However, you can still re-apply to the Marine Fund Scotland with a new application. Your new application will be considered without prejudice unless fraud or a serious offence has been committed.

## **Notifications of change – costs and suppliers**

This section provides information on what to do if you are successful in your application to the Marine Fund Scotland and there is a change at any point before or during the grant period to the costs of your project or the contractors/suppliers you are using, compared with what you set out in your application.

### **Changes to costs**

You must notify us of any change to the overall costs of your project at the earliest opportunity via your grant claim(s) and monitoring/progress report(s). Please note, there will not be an automatic increase in grant funds offered if the project costs increase. Marine Fund Scotland funding is provided as a percentage of eligible costs approved in the application process. This means that if the eligible costs of your project decrease, then so will the grant offered.

## Changes to contractors/suppliers

If any proposed change to the contractors and/or suppliers you are using/will use would increase the eligible project costs, you must not make that change to the contractors and/or suppliers without notifying us in writing in advance and obtaining our prior written consent to that change. Such a notification must be made either using your/your organisation's account on the Marine Scotland Funding Portal or by emailing us at [MFS@gov.scot](mailto:MFS@gov.scot).

## Grant rates

Funding from the Marine Fund Scotland 2023-24 should not duplicate or crowd out private financing, nor distort competition. It should facilitate private investment – especially where the private sector is profitable. As set out in the 'What types of projects can apply to the Marine Fund Scotland 2023-24?' section of these General Guidance notes, the Marine Fund Scotland aims to support projects with collective added value, in particular by addressing market failures or sub-optimal investment situations. One way in which we aim to achieve this is through the amount of funding that can be applied for depending on the type of project/applicant.

Table 1 below sets out the maximum total public funding that can be applied for towards a specific project, as a percentage of the total eligible project costs, by each category of applicant to the Marine Fund Scotland (the **"grant rate"**). **"Eligible project costs"** means the types of costs associated with a project that fit into the purposes and categories for which Marine Fund Scotland 2023-24 funding can be applied for.

Each grant rate is variable up to the stated maximum and there is no guarantee of Marine Fund Scotland funding. The stated grant rate is the **total public funding**. This could be funding from Marine Fund Scotland only, or from Marine Fund Scotland together with another public funding source. This means that if you are applying for, or have received, other public funding for the specific project that you are applying to the Marine Fund Scotland with, the total amount being applied for from the Marine Fund Scotland, together with the amount of the other public funding, cannot be higher than the grant rate. As set out in the 'Additional rules and obligations' section of these Guidance notes, applicants to the Marine Fund Scotland must disclose the source(s) and amount(s) of any other funding awarded in connection with the project in question.

**Table 1 – grant rates for the Marine Fund Scotland 2023-24**

<b>Organisation/project/cost type</b>	<b>Grant rate (total public funding that can be applied for as a percentage of the total eligible project costs)</b>
Private – where the project is wholly commercial	<ul style="list-style-type: none"> <li>• up to 50% for Small and Medium-sized Enterprises (SMEs).</li> <li>• up to 30% for large businesses. (but see row regarding projects with a high collective added value)</li> </ul>
Private – organisations of fishers/collectives of fishers acting in a collective manner	up to 60% (but see row regarding projects with a high collective added value)
Public law bodies	up to 100%
Projects with a high collective added value – for example, innovation, public access to results, collective beneficiaries (e.g. industry-wide benefits or benefits to multiple beneficiaries rather than to a single entity), etc. This could involve collaborations between public law bodies, private entities, third sector bodies, etc. Generally, we don't consider commercial investments to meet this criterion.	up to 100%, depending on the strength of the evidence the applicant can provide to demonstrate that the project will provide collective added value and meet collective interests
Young Fishers	up to 40%, with a maximum grant award of £75,000 per application and £150,000 per individual vessel over multiple applications
Testing novel engine technologies to support climate change mitigation, as part of a study or trial to test feasibility and impact	up to 40% of the extra cost compared to a diesel engine replacement
Development/adaptation of gear and fishing techniques that reduces impact on biodiversity and/or natural capital, and/or reduce carbon emissions	<ul style="list-style-type: none"> <li>• up to 100%, if for development/adaptation of innovative gear or techniques with wide collective benefit</li> <li>• up to 40% for adaptation of vessel fishing techniques to reduce impact on biodiversity and/or natural capital (e.g. improving selectivity), and/or reduce carbon emissions</li> </ul>
Overheads – funding towards the costs of overheads is reserved for applications from non-commercial or not for profit organisations, charities,	up to 15% (i.e. in an hypothetical example where direct staff costs were £5,000, applicants could apply for a

research institutions, universities and colleges. Overheads for staff costs are not eligible for commercial entities such as businesses. This is based on direct staff costs.	maximum of £750 under the heading of an overhead cost)
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## Contact details

The information provided in these General Guidance notes should be taken as a guide to the grant funding available. If you have further questions after reading these Guidance notes, you can also contact us by emailing us at [MFS@gov.scot](mailto:MFS@gov.scot).

## **Annex A – examples of the types of projects that may apply to the Marine Fund Scotland 2023-24**

Providing that the project falls within the scope of Scottish Ministers' grant making powers as set out in these General Guidance notes, potentially relevant applications might come from (but are not limited to) the following sectors and groups:

- commercial fishing, including 'young fishers'
- recreational fishing
- aquaculture
- seafood processing (including processing aquaculture organisms<sup>8</sup>) and marketing
- seafood supply chain
- relevant operations at ports and harbours
- research and development (including scientific and research bodies)
- those innovating for the benefit of the marine space for the purposes of developing commercial fish or aquaculture activities or conserving, enhancing or restoring the marine and aquatic environment
- those delivering protection and enhancement of the marine and aquatic environment
- relevant co-operatives
- community initiatives - including beach cleans, events and education (within the specific purposes, noted above, of the Fisheries Act 2020).
- statutory bodies charged with protecting and improving recreational salmon and sea trout fisheries (District Salmon Fishery Boards and their associated Trusts)

The above list is not exhaustive and the inclusion of a group or sector in the above list does not guarantee an offer of grant funding from the Marine Fund Scotland.

The Marine Fund Scotland 2023-24 will not support direct engine replacements or upgrades (i.e. diesel engine for diesel engine, or upgrading a diesel engine). However, at this stage we will consider applications for funding to support the testing of novel engine technologies as part a study or trial to test feasibility and impact.

The Marine Fund Scotland 2023-24 will not support like-for-like replacements or routine upgrades of fishing gear. However, at this stage we will consider applications for funding to support the development/adaptation of gear and fishing techniques to reduce impacts on biodiversity and/or natural capital (e.g. improving selectivity), and/or reduce carbon emissions.

The Marine Fund Scotland 2023-24 will not support the replacement of creels or basic design changes such as development of escape hatches. However, we will consider support towards novel and innovative approaches relating to creels, particularly where they deliver significant improvements on the interaction of creel gear with other marine species and the environment.

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<sup>8</sup> See section 52 of the [Fisheries Act 2020](#) for the definition of an "aquaculture organism"



## **Annex B – projects/types of work Marine Fund Scotland 2023-24 funding cannot be applied for**

The Marine Fund Scotland 2023-24 will not accept applications for funding for:

- increase the catching capacity of the fishing vessels or assist with the targeting of fish stocks.
- that support illegal, unreported and unregulated fishing.
- any that enable an increase in activities that would negatively affect the exploitation of fish stocks
- the replacement of creels or basic design changes such as development of escape hatches.
- like-for-like replacements or routine upgrades of fishing gear. However, at this stage we will consider applications for funding to support the development/adaptation of gear and fishing techniques to reduce impacts on biodiversity and/or natural capital (e.g. improving selectivity), and/or reduce carbon emissions.
- meeting the costs of statutory requirements (business costs associated with meeting legal requirements, e.g. fishing vessel safety surveys, Emergency Position Reporting Beacons, etc.). Support with costs for activities that go beyond simple compliance with the law may be considered. Applications for funding support for innovation or research and development where it applies to the development of new technology or techniques which introduce efficiencies in meeting statutory requirements may also be considered.
- the purchase or acquisition of fish quota entitlement.
- development or other costs that the organisation or business (i.e. the applicant) could reasonably be expected to cover themselves, such as those for consumables.
- direct engine replacements or upgrades (i.e. diesel engine for diesel engine, or upgrading a diesel engine). However, at this stage, we will consider applications for funding to support the testing of novel engine technologies as part a study or trial to test feasibility and impact, and with the aim of receiving insights/data that can be used to guide decisions in future years of the Marine Fund Scotland on funding for engine replacements/modifications to support climate change mitigation.
- cessation of fishing activities temporarily or permanently, unless otherwise agreed by the Scottish Ministers.
- engaging in exploratory fishing.
- transfer of ownership of a business.
- direct restocking, unless explicitly agreed by the Scottish Ministers as a conservation measure.
- the construction or purchase of fishing vessels unless this investment is in respect to a first-time purchase of a fishing vessel or a share in a fishing vessel by new entrants ('young fishers').
- the costs of purchase of land if these costs exceed 10% of the total expenditure of the project in question.

Additional ineligible projects may be identified throughout the Marine Fund Scotland 2023-24. If you are unsure whether your project is eligible, contact us at [MFS@gov.scot](mailto:MFS@gov.scot) before applying.



## **Annex C – serious infringements**

For the purposes of the Marine Fund Scotland 2023-24, a “serious infringement” means any of the following:

- a) a “serious infringement” as defined in Article 42 of the retained Council Regulation (EC) No 1005/2008 of 29 September 2008 establishing a Community system to prevent, deter and eliminate illegal, unreported and unregulated fishing (EUR 2008/1005);
- b) a “serious infringement” as defined in Article 90(1) of the retained Council Regulation (EC) No 1224/2009 of 20 November 2009 establishing a Union control system for ensuring compliance with the rules of the common fisheries policy (EUR 2009/1224);
- c) repeated instances of non-compliance with the obligations laid down in either or both of Article 7 and Article 9 of the retained Council Regulation (EC) No 734/2008 of 15 July 2008 on the protection of vulnerable marine ecosystems in the high seas from the adverse impacts of bottom fishing gears (EUR 2008/734);
- d) a “serious infringement” as defined in Article 31 of the retained Regulation (EU) No 1236/2010 of the European Parliament and of the Council of 15 December 2010 laying down a scheme of control and enforcement applicable in the area covered by the Convention on future multilateral cooperation in the North-East Atlantic fisheries (EUR 2010/1236);
- e) an offence under regulation 44(1)(b) of the Water Environment (Controlled Activities) (Scotland) Regulations 2011 (SSI 2011/209) (“the 2011 Regulations”) of failing to comply with or contravening a general binding rule;
- f) an offence under regulation 44(1)(c) of the 2011 Regulations of failing to comply with or contravening a registration (including any condition imposed);
- g) an offence under section 107 of the Marine (Scotland) Act 2010 of killing, injuring or taking a live seal (intentionally or recklessly);
- h) an offence under section 19 of the Animal Health and Welfare (Scotland) Act 2006;
- i) an offence under regulation 23(1) of the Aquatic Animal Health (Scotland) Regulations 2009 (SSI 2009/85);
- j) an offence under section 2(1) of the Aquaculture and Fisheries (Scotland) Act 2007;
- k) an offence under regulation 33(a), (b) or (c) of the Trade in Animals and Related Products (Scotland) Regulations 2012 (SSI 2012/177);
- l) an offence under regulation 39 of the Conservation (Natural Habitats, etc.) Regulations 1994;

m) convicted of, or received a Fixed Penalty Notice for, an offence under the Fish Farming Code of Practice (Scotland) Order 2021 (SSI 2021/340), as read with sections 6 to 8 of the Aquaculture and Fisheries (Scotland) Act 2007.

## Annex D – outcomes assessment (stage two) scoring framework

In the outcomes assessment, each project will be assessed on how well it meets the outcomes listed in the 'Outcomes for the Marine Fund Scotland 2023-24' section of these Guidance notes. A score between -2 and +2 will be awarded in relation to each criterion in line with the scoring framework below. The overall score for each application will then be used to determine which applications will be offered grant funding.

### Scoring framework

- Project clearly aligns with outcome or clearly demonstrates how the project will mitigate significant negative effects, this scores **two**.
- Project somewhat aligns with outcome or clearly demonstrates how the project will mitigate moderate negative effects, scores **one**.
- Project neither aligns nor misaligns with outcome (neutral) or the outcome is not relevant to the project, scores **zero**.
- Project somewhat misaligns with outcome or does not clearly demonstrate how the project will mitigate moderate negative effects, scores **minus one**.
- Project clearly misaligns with outcome or does not clearly demonstrate how the project will mitigate significant negative effects, scores **minus two**.

## **Annex E – example project targets**

Examples of the types of targets that may be relevant to projects applying to the Marine Fund Scotland 2023-24 include (but are not limited to):

- reduction in carbon emissions
- reduction in waste
- number of new jobs created and/or new entrants to the sectors
- number of jobs safeguarded
- number of people attending a course
- number of new businesses created
- increase in net profit
- increase in turnover
- increase in production
- increase in value of production (value added)
- reduction in unwanted catch
- number of visitors to/users of a project
- reduction in accidents/injuries
- increase in sales
- achieving accreditation
- amount of further funding attracted
- new revenue streams created (i.e. diversification)
- higher quality/standard achieved
- increase in wellbeing

## Annex F – glossary

**Applicant** means the business (including sole traders), organisation, charity, community group or other incorporated or unincorporated entity which is the intended beneficiary of an application for a grant and to whom the grant would be made.

**Blue Economy** means sustainable use of ocean resources for economic growth, improved livelihoods and jobs, while preserving the health of marine and coastal ecosystem.

**Climate change mitigation** means reducing human-induced climate change by reducing greenhouse gas emissions and increasing the uptake and storage of them.

**Climate change adaptation** means living with, and increasing the resilience to the impacts of climate change, addressing climate risks and opportunities.

**Discretionary grant** means that the Scottish Ministers are free to decide whether to offer grant funding or not and are not obliged to offer grant funding in relation to any application or project, even if an application meets all of the eligibility criteria.

**Economic benefits** means improvements in one or more economic measures (to the local communities and/or the wider economy of Scotland). These measures could include:

- gross value added
- labour market conditions (unemployment, skill shortages, etc.)
- education
- supply chain intelligence and resilience
- price stability

**Eligible project costs** means the types of costs associated with a project that fit into the purposes and categories for which Marine Fund Scotland 2023-24 funding can be applied for.

**Grant rate** is the maximum total public funding that can be applied for towards a specific project, as a percentage of the total eligible project costs, by each category of applicant to the Marine Fund Scotland.

**Innovation** means new ways of combining existing and/or new resources to better address existing and/or new needs.

**Natural capital** is a way of thinking about nature (natural assets including geology, soil, air, water and plants and animals) as a stock that provides a flow of benefits to people and the economy. The flow of benefits and the capacity of nature to deliver those benefits both need to be maintained, including through investment in the maintenance and enhancement of the natural assets ([see Box 1 on page 15 of Scotland's Blue Economy Vision document for more information](#)).

**Net zero** means reaching net zero emissions of greenhouse gases by reducing emissions of greenhouse gases as far as possible and enhancing uptake and storage of them, so that the gas emission and uptake/storage are balanced.

**Social benefits** means improvements in one or more possible social measures, including qualitative measures (to the local communities or the people and/or wider economy of Scotland). These measures could include (but are not limited to):

- community cohesion
- education
- income and job security
- health and wellbeing
- access to green and blue space
- community resilience

to the extent that these fall within Scottish Ministers' statutory grant funding powers which are being relied upon, in accordance with the Scheme established by the 2022 Regulations (as explained in these General Guidance notes).

**Subsidy** in this context means financial assistance which is given by a public authority, is specific and confers an economic advantage on one or more enterprises, and affects international trade.

**Sustainable use of ocean resources** means that we use our ocean resources to meet the needs of the present without compromising the ability of future generations to use the resources to meet their needs. This means preserving and protecting the marine environment for future generations.

**Value for money** is the optimal use of resources to achieve the intended outcomes.



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