

Brexit Adjustment Reserve

Brexit Fish Processor Transition Scheme

Scheme Description



EUROPEAN UNION

This measure is part-financed
by the European Maritime
and Fisheries Fund



An Roinn Talmhaíochta,
Bia agus Mara
Department of Agriculture,
Food and the Marine



Ireland's European Structural and
Investment Funds Programmes
2014-2020

Co-funded by the Irish Government
and the European Union

Document Control

Version	Main changes	Approver	Approval/Effective Date (Initials & Date)
1.0	Initial draft	Director Corporate Services	FH 7 th Nov 23
1.1	Under the How to Apply Section, the grant scheme application link was amended.	Director Corporate Services	

Document Purpose

The purpose of this document is to provide information regarding the scheme to those who might be interested in applying.

Contents

Background.....	4
Scheme Objectives	4
Scheme Description	4
Who is Eligible?	5
Amounts Granted.....	5
Selection Process	6
How to Apply.....	6

Background

For many processors the introduction of post-TCA (Trade and Co-operation Agreement) non-tariff barriers has created significant choke points, fracturing supply continuity during 2021. Many processors have experienced reduced volumes as a direct result. This new scenario has resulted in impaired asset utilisation rates, lost market share, challenges to overhead absorption rates and a consequent reduction in employment levels. The processing segment is now faced with having to accelerate the modification of long developed business plans and to adapt to a new business paradigm.

This temporary aid scheme aims to facilitate and underpin the short-term orderly transition post-Brexit through provision of transition funding and training. To this extent, the aid will enable the medium and long-term adaption of the processing sector to re-configure and re-structure their businesses to the changed trading environment. A key focus will be to address post TCA changes in access to raw materials currently impaired by quota cuts and a range of onerous non-tariff barriers. The re-structuring and development of the processing sector will be assisted through the Processing Capital Support Scheme.

Scheme Objectives

The objective of this short-term liquidity aid scheme is to offset losses incurred by the processing sector in 2021 due to the TCA. It will address the direct financial losses resulting from Brexit, and it will also address the consequences arising from the new trading environment that resulted directly after the TCA on 1 January 2021.

Scheme Description

The main elements of the scheme are as follows:

1. The scheme would support Irish registered seafood processing plant enterprises through the provision of short-term support aid, to offset the loss of turnover experienced in 2021 as a result of Brexit.
2. To be eligible for aid:
 - beneficiaries must be able to show an actual reduction in turnover over the 12-month period January to December 2021 of at least 15% compared to the average annual turnover for 2018-2020 as a baseline. This will be verified through sales ledger data provided by an Independent External Accountant.
 - Beneficiaries must be able to show that at least 55% of purchases of seafood by value made during the reference year came from an Irish port or from a UK port. This will be verified by sales notes data.
3. The level of aid will be set at a maximum of 35% of the first €500,000 losses, and 20% of the balance of losses up to a cap of €300,000 per processor over the period January to December 2021. -This sliding scale aims to ensure assistance is provided to smaller businesses with a turnover of less than €5 million, representing around 50% of fish processors, that, in 2021, lacked the same resources, staffing power and financial stability to relocate or claim financial assistance, making it much harder for them to respond to the challenges of Brexit.
4. The following will be required:
 - A signed declaration from an Independent External Accountant to verify the reduction in turnover.

- A signed declaration by company directors, witnessed by a practising solicitor, and an Independent External Accountant to verify that the business is commercially viable.
 - A signed declaration that the company is up to date in its tax affairs.
 - A signed declaration that the company has no director or shadow director or other officer who has a conviction for an offence concerning professional misconduct, fraud, corruption, involvement in a criminal organisation, theft, money laundering or any other illegal activity where such illegal activity is detrimental to the European Union's financial interests.
 - Evidence that company owners/directors have not taken dividends/payments to deliberately reduce turnover to the 15% threshold.
5. Payments are based on actual losses per business, capped at a maximum of €300,000 per processor.
 6. Aid granted under the measure will not be cumulated with other aid for the same eligible costs.
 7. Aid under this measure and any other payments received to compensate the loss of income, including payments under insurance policies, will not exceed 100% of eligible costs.
 8. Payments will only be made after the eligible applicant has completed a specified training course and signed an agreement to provide economic data to BIM.

Who is Eligible?

This scheme will support seafood processing plant enterprises with an approvals number issued by the SFPA – Processing Plant (PP) or Fresh Fishery Products Plant (FFPP). To be eligible for funding, beneficiaries must be able to show a 15% or more reduction in turnover (in 2021 compared to their average turnover for 2018-2020) as a direct result of Brexit, and show that at least 55% of purchases of seafood by value made during the reference year came from an Irish port or from a UK port.

The following enterprises are *ineligible*:

- Enterprises that cannot demonstrate a causal link between the TCA-induced quota share reduction and their reduced turnover (i.e., a reduction in turnover of 15% or more).
- Whitefish co-operatives which are covered under a separate scheme.

Amounts Granted

The payments for eligible beneficiaries will be calculated by applying a rate of 35% of the first €500,000 losses, and 20% of the balance of losses up to a cap of €300,000 per processor over the period January to December 2021 compared to the average annual turnover for 2018-2020.

Payments are capped at a maximum of €300,000 per processor.

Selection Process

Step	Description	Carried Out By
Call for proposals	BIM will invite applications from eligible processing companies.	BIM
Eligibility Check and evaluation	To ensure compliance and eligibility.	BIM
Training Course Attendance and Verification	The training course must be completed before compliance will be certified.	BIM/Bord Bia
Payment	<p>BIM will issue letters of offer to successful applicants and applicants will be required to formally accept the offer.</p> <p>Participants will be paid following verification of compliance with the T&Cs.</p>	BIM

How to Apply

Apply online here: <https://bim.flexigrant.com/startapplication.aspx?id=11999>

Assistance with your application can be found in the document "Guidelines for Applicants" on the scheme page of www.bim.ie