

Explanatory Memorandum to the Marine, Fisheries and Aquaculture (Financial Assistance) Scheme (Wales) Regulations 2022.

This Explanatory Memorandum has been prepared by the Marine and Fisheries Division, Climate Change and Rural Affairs Group and is laid before Senedd Cymru in conjunction with the above subordinate legislation and in accordance with Standing Order 27.1.

Minister's Declaration

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of the Marine, Fisheries and Aquaculture (Financial Assistance) Scheme (Wales) Regulations 2022.

**Lesley Griffiths MS,
Minister for Rural Affairs and North Wales, and Trefnydd
27 September 2022**

PART 1

1. Description

1. These Regulations establish a dynamic financial assistance scheme in respect of the marine, fisheries and aquaculture sectors in Wales.
2. Functions and obligations for the practical delivery of the financial assistance under the Scheme are conferred on the Welsh Ministers.

2. Matters of special interest to the Legislation, Justice and Constitution Committee

3. None.

3. Legislative background

4. Paragraph 2 of Schedule 6 to the Fisheries Act 2020 confers powers on the Welsh Ministers to give, or arrange for, financial assistance to given in respect of 9 prescribed purposes. The financial assistance, which can be by way of grant or loan, must be given under or in accordance with a scheme established by Regulations subject to the affirmative procedure.
5. This instrument establishes such a scheme and enables the Welsh Ministers to give grants and make loans in relation to Wales, the Welsh zone or Welsh fishing boats in respect of the activities listed in the Schedule to the Regulations.

4. Purpose and intended effect of the legislation

6. As a result of the UK leaving the European Union, and following the end of the European Maritime and Fisheries Fund (EMFF), Wales is no longer a beneficiary of the European Structural Investment Funds and the financial assistance powers previously exercised by the Welsh Ministers through [the European Maritime and Fisheries Fund \(Grants\) \(Wales\) Regulations 2016](#) are now obsolete.
7. Therefore, the Welsh Ministers do not currently have specific financial assistance powers for the marine and fisheries sectors. This instrument will correct that.
8. The scheme created by this instrument delivers substantial continuity with previous funding schemes but allows greater flexibility in how the scheme is managed in the longer term (outside the EU's regulatory framework) whilst being consistent with international agreements such as the Trade and Cooperation Agreement.
9. The scheme will allow the Welsh Ministers to continue to fund certain activities to invest in the marine, fisheries and aquaculture sectors in

Wales and provide financial assistance to further the Wellbeing Goals under the Wellbeing of Future Generations Act 2015.

10. The Regulations allow for financial assistance to be given in relation to Wales, the Welsh zone and Welsh fishing boats in accordance with paragraph 2(3), Schedule 6 of the Fisheries Act 2020.
11. Under the scheme created by the Regulations, the Welsh Ministers can choose to provide financial assistance (by way of grants or loans) in respect of the activities specified in the Schedule so far as consistent with the purposes under which they are listed.

5. Consultation

12. The Fisheries Act 2020 does not require the Welsh Ministers to carry out a consultation prior to making regulations under their powers in paragraph 2(1) and (2) of schedule 6 of that Act.
13. The Brexit and Our Seas consultation which ran from 1 May 2019 to 21 August 2019 contained specific questions on funding arrangements post EU exit. A [summary of responses](#) was published on 14 September 2020.
14. One key point raised was the need to incorporate environmental protection into decisions on funding for seafood production.
15. A key criticism of the EMFF in Wales has been inflexibility. The Regulations aims to deliver a more flexible approach to providing financial assistance to the marine, fisheries and aquaculture sector in Wales.
16. This scheme will cover broadly similar policy scope to the EMFF but allows for a more agile and responsive approach whereby decisions can be made on how funding is targeted (i.e. what activities will be funded and when) during the course of the scheme.
17. The Welsh Government has established a Funding Policy Stakeholder Advisory Group to engage with the sector, to inform spending decisions and to evaluate the effectiveness of interventions.

6. Regulatory Impact Assessment (RIA)

18. An RIA has not been prepared for this instrument because it is not regarded as a significant change of policy. Having left the EU, the legislation that administered financial assistance in accordance with the EMFF is no longer operable. This instrument allows for comparable assistance to be provided outside the EU. Practical amendments to the

policy are therefore mainly due to the change in constitutional and legislative context and to improve provision of financial assistance.

19. Furthermore, an RIA has not been prepared for this instrument because it is to create a financial assistance scheme that facilitates the making of grants or loans to the marine and fisheries industry but where specific funding decisions have not yet been made. This instrument does not impose any costs on the public, businesses, charities or other organisations.
20. Any costs associated with running the scheme will aim to cover the necessary administration costs and be proportionate to the funding provided.
21. Any costs associated with applying for funding under the scheme will be proportionate to the grant or loan.
22. As the scheme created by this instrument is intended to be flexible, any specific assessment of costs, benefits or the impacts of those costs or benefits would be conjecture and not rational or based on evidence.

Other impacts

23. These Regulations have no, or no significant, impact on the public, individuals, businesses, charities or other organisations. No costs or restrictions are placed on the public, individuals, businesses, charities or other organisations. The scheme created by these Regulations has substantial overlap with existing policy, is intended to benefit the sector and is voluntary to apply for.