



Department
for Environment
Food & Rural Affairs



The European
Agricultural Fund
for Rural
Development:
Europe investing in
rural areas

2014 to 2020 European Structural and Investment Funds Growth Programme

**Call for Applications for funding and developing
micro and small rural businesses.**

European Agricultural Fund for Rural Development

Managing Authority	Department for Environment, Food and Rural Affairs
Local Enterprise Partnership Area	Coventry and Warwickshire (CWLEP)
Call Reference	06RD15BS0001
Deadline for the submission of applications	Friday 19 June 2015 at 1700 hours

Read the [Growth Programme](#) guidance. This explains what you must do to apply for a grant, how grant applications are assessed and how to meet the terms of a grant funding offer if your application is successful.

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1. Call Context

1.1. Background

European Structural and Investment Funds (ESIF) are managed by the Department of Communities and Local Government (European Regional Development Fund (ERDF)), Department for Work and Pensions (European Social Fund (ESF)) and the Department for Environment, Food and Rural Affairs (European Agricultural Fund for Rural Development (EAFRD)). These are known as the Managing Authorities (MAs). These three funds have come together in the Growth Programme for England.

The Government has allocated £177 million of rural development funding from EAFRD for delivery through the Growth Programme. DEFRA has identified types of activity for support using rural development funding. These are:

- building knowledge and skills in rural areas
- funding and developing micro, small and medium-sized rural businesses
- funding small scale renewable investments in rural areas
- funding superfast broadband investments in rural areas
- supporting tourism in rural areas.

1.2 Local Enterprise Partnerships

Local Enterprise Partnerships (LEPs) are private sector-led partnerships between local authorities and businesses. Each LEP has set out in its ESIF strategy the local priorities for this funding the aim of which is to achieve economic growth in its area. There are 39 LEPs covering England, 37 have an allocation of rural development funding. To apply for this funding your business, must be located in a rural area in England.

1.3 Other Rural Development Funding

Other rural development support for agricultural and forestry businesses will be available through LEADER Local Action Groups (LAGs), the Countryside Productivity Scheme and Countryside Stewardship.

1.4 Local Context

This call invites applications for business development grants from new and existing micro and small businesses located in rural areas. This includes social enterprises and farming businesses looking to expand into non-farming activities.

CWLEP has identified six areas for intervention under the SME Competitiveness theme of its ESIF Strategy including support for the growth and performance of the rural economy. The ESIF Strategy recognises that businesses in rural areas

face some specific barriers to growth and support for the continued growth in small and micro-enterprises in rural communities is identified as a specific priority. The Strategy recognises that these businesses play a strong role in rural areas, supporting employment and, with their products and services, helping to develop local supply chains and often having wider social and community benefits.

CWLEP's ESIF Strategy is available at http://www.cwlep.com/userFiles/coventry_and_warwickshire_final_esif_strategy_2014_final_may_2014_revision.pdf.

2. Call Overview

2.1 Purpose of the Call

This call seeks applications that support micro and small businesses, including social enterprises.

The Government wants to see a strong and growing rural economy, with thriving micro and small-sized businesses. This call provides support for:

- Micro and small businesses seeking to expand and create jobs;

By providing grant support for new and expanding businesses, CWLEP wants to see an increase in rural jobs, particularly in higher paid, more highly skilled jobs; and in Gross Value Added to the rural economy.

2.2 Support Available

This call seeks to support the creation and expansion of rural businesses through the development of new product lines and processes. Support will be provided both on-farm for diversification activities and to non-farming businesses. Applications from the following sectors will be given priority:

- Manufacturing including agri-food;
- Engineering;
- Information Technology Services; and
- Digital and Creative.

Examples of the types of activity that can be supported include:

- Construction, re-construction or establishment of workshops, factories, plants and other premises and facilities;
- Food and drink processing and marketing resulting in non-Annex I products as output;
- Farm diversification activities that will create business growth.

Applicants must be able to demonstrate that their project proposal would not occur without grant funding.

The following sectors will not be supported under this call:

- Local services (for example horse livery, motor vehicle repair or retail of any type);
- Personal services (for example hairdressing, dentistry and other health services, or laundry services);
- Professional services (for example consultancy, accountancy or legal services);
- Tourism businesses.

Applicants for this call must be either:

- Small and micro rural businesses in CWLEP's rural areas employing at least 2 full time equivalent employees; or
- Farmers or members of the farm household diversifying into non-agricultural activities based within CWLEP rural area.

2.3 Size of grants available

Grants will be available for this call from £35,000 up to approximately £100,000 depending on the amount of de minimis state aid already received within a 3-year period. Further details on state aid rules are available from gov.uk.

Applicants can apply for a grant to cover up to 40% of the project's total eligible costs. The minimum total eligible cost of a project for this call would therefore be £87,500.

The applicant must pay for any eligible costs not covered by the grant with private funding, such as savings or a commercial bank loan. If private funding is not used, the Rural Payments Agency (RPA) can reclaim any money already paid and withhold future grant payments.

2.4 Total Funding Available

The total grant funding available for this call is £200,000. Funding will be offered to a maximum of 5 projects. All Applications are competitive, and for this specific call, applications will be assessed after the close of the deadline.

3. Outputs to be delivered

Project proposals will be expected to show how they will contribute to the achievement of the following outputs in their application form.

- Number of jobs created
- Increase in wage bill

Applicants will need to be able to demonstrate how they will deliver the outputs, committed to within the proposal along with any methodology used. Further details on the evidence requirements for each output will be available at full application stage.

Applicants will also need to ensure robust project management systems are in place, and be able to describe them, to capture and record the outputs. This will need to be detailed at full application stage. All projects will be required to collect evidence to show that outputs have been achieved and report progress with each claim.

4. How to apply

There are two stages to the application process. Applications will be assessed at both stages and only the strongest will be successful. The 2 stages are:

- Stage 1: an outline application
- Stage 2: a full application

Further details on how to apply for a grant and an outline application form are available from gov.uk. The applicant will only be invited to submit a full application if their outline application is successful.

Work must not start on any part of a proposed project before the applicant has received and signed an offer letter from the RPA, and returned the signed grant funding agreement. This includes ordering materials or equipment or paying a deposit on it.

5. Information to consider before making an application

5.1 Eligibility

There will be standard eligibility requirements for each type of grant offered. Applicants will need to refer to gov.uk for further information.

5.2 Register with Rural Payments

Before you can submit your application for a grant from the Growth Programme, you will need to register on [Rural Payments](#). If you're already registered on Rural Payments, you will not need to do this again.

You can't register right now – Rural Payments will open for registrations in the next few weeks. We will provide further updates at www.gov.uk/government/collections/growth-programme-grants-for-the-rural-economy to let you know when you can register.

5.3 Cross Cutting Themes

All applications received under this call must demonstrate how the Cross Cutting Themes have been addressed in the project design and development. The cross cutting themes for all projects are sustainable development and equality and diversity. Further details on these can be found in the Outline Application form.

5.4 Quotes

Applicants must ensure that they obtain best value for money when buying goods or services. Further details on the number and format of quotes are available from gov.uk.

5.5 Publicising the Grant

RPA will explain how the applicant must publicise the grant at the funding offer stage (this is a requirement of EU regulations).

They may expect the applicant to:

- mention it in any press releases or when communicating with customers, for example in newsletters and on their website (if applicable); and
- display a poster, plaque, or billboard, including EU logos, depending on the amount of funding received and the type of investment.

If the applicant does not do this, the RPA may apply a penalty by deducting payment from the grant.

6. Support

Guidance on how to apply for a Growth Programme grant is available at www.gov.uk/government/collections/growth-programme-grants-for-the-rural-economy. Applicants can call the Rural Payments helpline on 0300 0200 301 or Email GPEnquiries@rpa.gsi.gov.uk for further support if required.

7. Submission of applications

Send the completed outline application form to growthapps@rpa.gsi.gov.uk. The RPA will email to confirm that they've received it.