



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 to support investments in
processing, marketing and development of
agricultural products.**

European Agricultural Fund for Rural Development

Managing Authority	Department for Environment, Food and Rural Affairs
Local Enterprise Partnership Area	Greater Lincolnshire (GLLEP)
Call Reference	14RD15BS0001
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 capital investments that contribute strongly to improved growth and productivity in Greater Lincolnshire's important agri-food sector.

Agri-food is one of the key economic sectors identified within the GLLEP Economic Plan and ESIF Strategy. The GLLEP area has an international reputation for food and farming, having one of the largest concentrations of food manufacturing, research, storage and distribution in Europe.

The agricultural sector in Greater Lincolnshire is the market leader in many intensive crop and livestock product categories with 25% of vegetable production, 21% of ornamental crops, 19% of sugar beet, 17% of meat chickens, 18% of duck and 21% of turkey production. The result is that 10% of English agriculture is in the GLLEP area and GVA per employee is over £30,000 against only £18,000 nationally.

This strength in primary food production carries through into food processing with 5% of UK food processing jobs in the area, including plants belonging to many of the largest companies in the UK food sector.

Despite these strengths the sector faces challenges including a relatively poorly developed local research infrastructure, poor road connections to priority national markets, long term challenges on water supply, an over-reliance on migrant workers and relatively low levels of investment in technology compared to some competitors. Globally, other areas which until recently did not see the agri-food sector as a priority have been increasing their investment in the sector strongly.

GLLEP will strengthen Greater Lincolnshire's already recognised role as a centre of excellence in food production. Agri-food businesses will be helped to implement the latest technologies, get into new markets, improve skills, and have the right economic infrastructure for their growth.

GLLEP has commissioned a specialist Agri-Food Sector report which will help to identify priority schemes including capital investment for medium agri-food businesses. This can be found at

http://www.greaterlincolnshirelep.co.uk/assets/downloads/Agri-food_sector_plan_final.pdf.

GLLEP's ESIF Strategy is available at

http://www.greaterlincolnshirelep.co.uk/assets/downloads/GLLEP_SIF_Growth_Vision.pdf.

2. Call Overview

2.1 Purpose of the Call

This call seeks applications that **support micro, small and medium businesses**.

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

- Micro, Small and Medium-sized businesses in the agri-food sector seeking to expand and create jobs.

By providing EAFRD investment support for new and expanding businesses, GLLEP 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

Applications are sought from micro, small and medium businesses in both rural and urban areas that are seeking grant assistance for investments in processing, marketing and development of agricultural products.

GLLEP are seeking to promote growth of the agri-food processing activity, both on farm and within off-farm processing businesses. In particular, this call seeks to promote projects that add value back to primary producers in the supply chain through the development of new processes and products.

Examples include:

- Investment in equipment, technologies or processes to develop new or higher quality products.
- Investment in equipment, technologies or processes to reduce waste;
- Construction or conversion of buildings to be used for processing activities

Please note that this call will not fund the processing of fish or any fishery products. Simple replacement investments will also not be supported.

The vision for the Greater Lincolnshire agri-food sector is:

The Greater Lincolnshire agri-food sector will double its contribution to the economy by 2030 through an ambitious programme of investment in productive capacity, skills and knowledge to drive an increase in high value added sales to UK and export markets.

To help deliver this vision we would expect projects to:

- Reinforce Greater Lincolnshire’s position as the national centre for commercial investment in high value agri-food production in sectors including fresh produce and poultry;
- Adopt new technology and skills to deliver new product development, productivity and sustainability gains with a target to increase per employee GVA by 25% by 2020;
- Help grow sector output by 30% through import substitution and export led growth.
- **Therefore projects that can demonstrate quality job creation and increased GVA will be prioritised.**

2.3 Size of grants available

Grants will be available for this call from £60,000. There is no upper limit on the amount of grant for this call but state aid rules will apply which may affect the amount of grant offered. 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 £150,000.

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

A total grant funding available for this call is **£1 million**. Funding will be offered to a maximum of 16 projects, but the actual number of projects supported may be lower, dependent upon the scale and range of the projects coming forward. 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:

- Number of new products introduced as a result of the grant
- Number of new techniques introduced as a result of the grant
- Number of jobs created
- Increase in wage bill as a result of the grant

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. Submitting applications

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