



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	New Anglia Local Enterprise Partnership
Call Reference	24RD15BS0001
Deadline for the submission of applications	Friday 30 October 2015 at 1700 hours

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

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1. Call Context

1.1. Background

A single European Structural and Investment Funds (ESIF) Growth Programme has been set up to combine three separate European Funds. These are the European Regional Development Fund (ERDF), the European Social Fund (ESF) and part of the European Agricultural Fund for Rural Development (EAFRD).

ESIFs are managed by the Department of Communities and Local Government (ERDF), Department for Work and Pensions (ESF) and the Department for Environment, Food and Rural Affairs (EAFRD). These government departments are the Managing Authorities (MAs).

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:

- funding and developing micro, small and medium-sized rural businesses including food processing;
- funding for small scale tourism infrastructure and tourism co-operation.

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 the project 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 investments that contribute to the development of measurable and sustainable growth in New Anglia Local Enterprise Partnership (NALEP) area's food and drink sector.

The rural economy of the NALEP area accounts for 12% of all English cereal production, 20% of UK vegetables, 20% of UK potatoes and 50% of UK sugar beet. In March 2015, Government approved the creation of three Food Enterprise Zones (FEZs) in the NALEP area - the Orwell and Gipping Valley Food Clusters in Suffolk and the Greater Norwich Food Cluster in Norfolk. These will be vital economic hubs for the industry, boosting collaboration between the sectors, bringing better connectivity to the supply chain and encouraging greater links with skills and technical research in agriculture.

The agricultural and food and drink sectors employ almost 13% of the workforce in the NALEP area generating £2.2bn per year in Gross Value Added (GVA). However, this is low in comparison to other key sectors in the NALEP area. NALEP's Strategic Economic Plan and ESIF Strategy have identified investment in new technology and processes as a key priority for the sector to help create higher-skilled jobs and increase productivity.

This call seeks applications from micro, small and medium-sized businesses within the food and drink supply chain including farmers and growers (primary producers), processing businesses and distributors, but is restricted to businesses that process Annex 1 agricultural and horticultural products. Applications must show how they will economically benefit farmers and growers.

Examples of Annex 1 products include meat, milk, fruit and vegetables. Further information on Annex 1 products is in the Growth Programme guidance. The exception is fisheries products, which are not eligible for these grants.

Priority will be given, in the following order, to applications that seek to:

1. introduce new or improved processes and techniques, leading to increases in productivity or the creation of new high-skilled jobs
2. create new and developing distribution networks
3. create or support 'local food' initiatives by processing local produce.

NALEP's ESIF Strategy is available at <http://www.newanglia.co.uk/europe/>.

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 thriving rural economy. This call provides support for:

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

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

2.2 Support Available

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

The aim of this call is to support businesses in the food processing sector to expand and create new higher-skilled jobs. In particular, this call seeks to promote projects that:

1. introduce new or improved processes and techniques, leading to increases in productivity or the creation of new high-skilled jobs;
2. create new and developing distribution networks;
3. create or support 'local food' initiatives by processing local produce.

Examples of support include:

- investment in equipment, technologies or processes to develop new or higher quality products;
- investment in equipment, technologies or processes to reduce waste;
- business start-ups;
- developing new markets for goods (not including promotion or hardcopy costs);
- construction or conversion of buildings to be used for processing activities.

2.3 Size of grants available

Grants will be available for this call from £35,000 up to £250,000. 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 £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 **£1,000,000**. Funding will be offered to a maximum of 28 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:

- 27 full-time equivalent (30 hours per week) jobs created
- increase in wage bill as a result of the grant
- number of new products generated
- number of new processes or techniques introduced

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, that will capture and record the outputs. A detailed description of the systems will need to be provided 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](https://www.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 a grant funding agreement from the RPA. This includes ordering or paying a deposit on materials or equipment.

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 on each of the types of grants available.

5.2 Register with Rural Payments

Before applicants can submit an application for a grant from the Growth Programme, they will need to register on [Rural Payments](#). If the applicant is already registered on Rural Payments, they will not need to do this again.

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. Important information on the number and format of the quotes required to demonstrate best value are available from gov.uk. Applicants will be required to submit these if invited to develop a full application.

5.5 Publicising the Grant

When a project is successful in obtaining rural development funding through Growth Programme, the grant beneficiary will be required to publicise the grant. The RPA will provide beneficiaries with further information with the grant funding agreement but they may expect beneficiaries 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.