



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
micro and small businesses in rural areas**

European Agricultural Fund for Rural Development

Managing Authority	Department for Environment, Food and Rural Affairs
Local Enterprise Partnership Area	Derby, Derbyshire, Nottingham, Nottinghamshire (D2N2) LEP
Call Reference	08RD15BS0001
Deadline for the submission of applications	Friday 27 November 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:

- European Regional Development Fund (ERDF)
- European Social Fund (ESF)
- part of the European Agricultural Fund for Rural Development (EAFRD)

The Growth Programme provides funding to help projects in England that create jobs and economic growth. Department for Environment, Food and Rural Affairs (Defra) has responsibility for managing EAFRD. Rural Payments Agency (RPA) manages these grants on behalf of Defra.

Government has allocated £177 million of rural development funding from EAFRD for grants in the Growth Programme. These grants are available for:

- 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 support growth in rural micro and small businesses, including helping farmers to diversify into non-agricultural activities.

The rural economy is important as it provides one-third of D2N2's total jobs. Levels of employment growth are higher in rural than in urban local authorities and there is potential for further growth.

There are a large number of small firms across a range of sectors. Economic activity and skills levels are relatively high in the rural areas. The agricultural sector plays an important role in maintaining an attractive environment and contributing to the visitor economy.

Rural areas face a number of challenges including reducing farm incomes, over-reliance on the public sector for jobs, lower than average wages and lack of investment.

This call seeks to invest in rural businesses that want to grow and create new jobs, especially jobs with higher than the average pay and skills for the D2N2 area. The call encourages applications from businesses seeking to invest in innovative technologies and processes.

Applications from businesses in the following eight sectors are a priority for this call. These are:

- manufacturing of transport-related equipment
- life sciences
- food and drink manufacturing
- construction
- transport and logistics
- visitor economy (tourism)
- creative industries
- low carbon goods and services

D2N2 LEP's ESIF Strategy is available at http://www.d2n2lep.org/write/Documents/D2N2_ESIF_Strategy_May_2014_web.pdf.

2. Call Overview

2.1 Purpose of the Call

This call seeks applications that support micro and small businesses.

The Government wants to see a thriving rural economy. This call provides support for:

- micro and small-sized businesses seeking to expand and create jobs
- farmers or members of the farm household diversifying into non-agricultural activity

By providing EAFRD investment support for new and expanding businesses, D2N2 LEP 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 new or existing small or micro businesses in rural areas for investments in capital equipment or premises.

The aim of this call is to support rural businesses in D2N2 to grow and create new jobs.

Applications that meet one of the following criteria will be a priority for support: Those that meet more than one of the criteria will be a higher priority.

- businesses in one of D2N2s eight priority sectors (listed above)
- creation of new jobs (especially higher skilled, higher paid jobs)
- projects that will increase the productivity of the business
- projects that will introduce a new product, technology or process new to the UK

Examples of support include:

- investment in equipment, technologies or innovative processes to develop new or higher quality products
- food and drink processing
- farm diversification activities that will create business growth and new markets
- construction or establishment of workshops, factories or machinery (where clear evidence of demand can be shown)

2.3 Size of grants available

Grants will be available from £35,000 up to €200,000 (approximately £140,000). 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.

Applicants must pay for any costs not covered by the grant with private funding, such as savings or a bank loan, not other public funds. If private funding isn't used, Rural Payments Agency (RPA) may ask the applicant to repay any grant money already paid and may cancel any future payments.

2.4 Total Funding Available

The total grant funding available for this call is **£933,000**. Funding will be offered to a maximum of 26 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 call RPA will assess applications after the close of the deadline.

3. Outputs to be delivered

Applicants need to show how their project will contribute to the achievement of the following total outputs for the call:

- 68 new jobs created
- number of businesses supported
- number of new products and techniques introduced as a result of the grant support
- number of additional day visitors (tourism projects)
- number of additional overnight visitors (tourism projects)

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. 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)
- 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 03000 200 301 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.