



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

DRAFT

Rural Development Programme for England (RDPE) Prospectus for funding in the South East and London

This booklet describes the funding available under the RDPE and how to apply for grant aid. This is a new programme and not all the details of the funding, eligibility of items or eligibility of applicants have been confirmed – this document will remain in draft form for several months. For the latest news and guidance please refer to the SEEDA website at www.seeda.co.uk/rdpe.

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Please note

- The agri-environment schemes are managed by Natural England and the Forestry Commission and are not covered in this document. Contact details for these two organisations are shown at section 12.
- This prospectus covers grant support for activities such as:
 - Training
 - Adding-value to food and non-food products
 - Renewable energy
 - Forestry
 - Water management facilities
 - Rural community projects
 - Farm diversification
 - Cooperation in the development of new products and technologies.
- SEEDA is responsible for these grants and they will be delivered in two ways:
 - Via Leader local action groups (LAGs) - These groups are currently preparing bids to SEEDA and if successful they will be allocated funding which they can then use to facilitate and grant aid projects that will fit with their local priorities and objectives. A major element of funding for farmers, horticulturalists and foresters will be delivered through Leader groups. The decisions on which Leader groups to fund will be made by an independent selection panel in April 2008 with the results announced in May 2008. Go to www.seeda.co.uk/rdpe for further information on Leader.
 - Via direct applications to SEEDA – We will fund some projects direct. These will tend to be the larger/collaborative projects depending on the type of project. See the details against each area of activity as outlined in the rest of this document.
- You must not start work, purchase, or make a legal commitment to purchase any items on which you wish to claim grant, prior to receiving a grant contract from SEEDA or the Leader local action group.
- Many areas of the RDPE are covered by state aid rules, which are complex. There is relatively little discretion on state aid issues so it is worth checking with SEEDA or the Leader local action group to get guidance on the levels of aid available before undertaking significant amounts of work on an application. Also, see appendix 3.
- The SEEDA website www.seeda.co.uk/rdpe carries all the necessary forms and guidance notes except for application forms which will be sent to applicants once it has been agreed the Expression of Interest can proceed to a full application.. On this website you can also find links to the EU/Defra programme documents which describe in detail the various funding measures under RDPE.

- **You must not base investment decisions on information contained in this prospectus. Contact SEEDA for further information.**

1. Training, information and knowledge transfer for farmers, horticulturalists, foresters and food businesses

1.1 RDPE supports training, group based advice, information provision and the uptake of the latest technology for all adults within agriculture, food and forestry businesses.

1.2 Individual trainees cannot receive funds directly. Instead, training providers apply for grant support and then make RDPE funded courses available to eligible trainees:

- In the agricultural, horticultural and food sectors, trainees must be engaged in a business, organisation or social enterprise which is dependent on agriculture or utilises agricultural products. Eligible trainees should typically spend >50% of their time in these activities.
- In the case of training for the forestry sector, trainees must be engaged in a business, organisation or social enterprise which is dependent on woodland or utilises any woodland or forest products.
- For farmers and foresters the grant rates can be up to 100% but will typically range from 40% to 70%.
- For training delivered to SME businesses (<250 employees and <50m euros turnover) in the food sector the maximum grant rate will be 70% for general skills and 35% for non-transferable skills; typical grant rates will be lower than the maximum allowable.

1.3 **Trainees** – If you are looking to access RDPE funded training your first point of contact is your local training provider, the RBAT network www.rbat.org.uk, agricultural college or Business Link adviser. But note the training funds are unlikely to be available until April 2008. Also, in April 2008 the SEEDA website will carry details of how to access RDPE funded training.

1.4 **Training providers** - In the South East the majority of training will be delivered through a small number of pan-regional contracts that encompass the leading training providers in the region. Therefore, if you wish to access RDPE funding you should contact SEEDA at an early stage for advice on how to proceed.

1.5 RDPE funding will make available training on a very wide range of topics including the following:

- management skills
- business skills
- practical and technical livestock, crop and non-food crop husbandry skills
- Farm diversification
- Forestry management

- ICT and the use of other new technologies specific to agriculture/forestry
- animal health and welfare
- food processing
- traditional crafts for management of historic assets
- benchmarking
- managing land under ELS and HLS
- supply chain efficiency
- climate change adaptation and mitigation
- waste management, water use, diffuse pollution, energy efficiency
- renewable energy production and utilisation
- environmental management
- training to support adding-value to food products.

1.6 This training, knowledge transfer, information and advice can be delivered through a wide range of activities, not just formal training:

- Formal training courses
- Seminars;
- Business clubs;
- Workshops and farm demonstrations;
- Support and mentoring;
- Technical and management information;
- Support for knowledge and technology transfer networks.

1.7 Support will not include:

- Courses or training which form part of normal programmes or systems of agricultural and forestry education at secondary or higher levels;
- Programmes or courses which last longer than 3 years;
- Large-scale infrastructure for training purposes.
- Full time courses

2. Renewable Energy Projects

2.1 There is tremendous scope for the development of renewable energy in the region. The RDPE can support the following types of activities:

- Renewable energy installations for on-farm use of heat and electricity, including anaerobic digestors, gasification plants, woodfuel boilers, wind turbines and hydroelectric units.
- Equipment for harvesting and processing of wood for fuel.
- Storage facilities and setting-up collection and distribution networks for woodfuel, to support sales to domestic and industrial users.
- Biofuel projects
- Farmers setting-up renewable energy projects for the sale of energy off farm.
- In addition, Natural England can support the growing of short rotation coppice (contact them for further details).

2.2 The grant rates vary by type of activity – see table below.

Activity	Eligible applicants	Grant rate and funding measure	Max grant £
Forestry harvesting and handling equipment. See also section 3 of this note.	Private forestry owners and local authorities Forestry contractors and other forestry related businesses (with less than 10 employees and 2m euros turnover or 2m euros balance sheet total)	Max 50% Measure 122 - Improving the economic performance of forestry Max 50% Measure 312 - Support for rural micro-businesses	No regulatory limit. Local budgets will influence size of grant award Subject to state aid rules. Maximum 200,000 euros (about £140,000 depending on exchange rates)
Woodfuel aggregation and distribution networks	Farmers, horticulturalists, and their family members. See section 7. Also, farmer controlled businesses	Max 50% Measure 311 - Diversification into non-agricultural activities	Subject to state aid rules. Maximum 200,000 euros (about £140,000 depending on exchange rates)
Anaerobic digestion, gasification plants, woodfuel boilers, wind turbines, hydroelectric plants, where the energy will be used on farm.	Farmers, other landowners and farmer controlled businesses	Max 40% Measure 121 - Modernisation of agricultural holdings	No regulatory limit. Local budgets will influence size of grant award
Setting-up projects where the energy (electricity or heat) will be used off-farm. This will include projects that require connections to the national electricity	Farmers, horticulturalists, and their family members. See section 7. Also, farmer controlled businesses	Max 50% Measure 311 - Diversification into non-agricultural activities	Subject to state aid rules. Maximum 200,000 euros (about £140,000

grid			depending on exchange rates)
Renewable energy installations in rural community facilities	Organisations responsible for rural community facilities.	Max 100% Measure 321 - Basic services for the rural population	Subject to state aid rules. Maximum 200,000 euros (about £140,000 depending on exchange rates)
Biofuel projects			
Specialised storage and handling of biofuel raw materials grown on the farm	Farmers, other landowners and farmer controlled businesses	Max 40% Measure 121 - Modernisation of agricultural holdings	No regulatory limit. Local budgets will influence size of grant award
Processing biofuel for use on the same farm	Farmers, other landowners	Max 40% Measure 121 - Modernisation of agricultural holdings	No regulatory limit. Local budgets will influence size of grant award
Processing biofuel for off-farm useage	Farmers, horticulturalists, and their family members. See section 7. Also, farmer controlled businesses	Max 50% Measure 311 - Diversification into non-agricultural activities	Subject to state aid rules. Maximum 200,000 euros (about £140,000 depending on exchange rates)
Bio-energy crops	Contact Natural England for further details of the RDPE Energy Crops Scheme – see section 12		

Training in renewable energy activities	Farmers, horticulturalists, private forestry owners and forestry contractors. Other rural micro-businesses	Max 100% but typically 50% to 70% Measure 111 - Vocational Training for farmers, horticulturalists and foresters Max 70% Measure 331 - Training and information for rural businesses	N/A
Cooperation between producers, processors, equipment suppliers etc to develop new products, processes and technologies	See section 9		

NB: Farmer controlled businesses eg co-operatives should contact SEEDA to establish their eligibility to apply for grant aid.

In addition to the above, applicants can receive support for costs associated with architects', engineers' and consultants' fees, feasibility studies, and costs associated with setting-up cooperation such as legal and accountancy fees.

2.3 Where to apply for funding –

- For applicants who live and operate in a Leader Local Action Group area (LAG) and where the grant request is up to £50,000, they should contact their LAG in the first instance. For projects in non-Leader areas and large projects within leader areas apply direct to SEEDA but note that additional criteria apply as outlined at appendix 1.
- For training – farmers, foresters and horticulturalists should apply to their local training provider who will have access to RDPE funds on your behalf. For all others apply to the Leader local action group.

3. Forestry harvesting and processing and in-forestry recreational activities

3.1 The objective of this funding is to improve and broaden the financial value of private forests, increase diversification of production, and enhance market opportunities, whilst encouraging sustainable management and biodiversity. Grant is available for forestry owners and forestry contractors but different criteria apply to each one.

3.2 Private forestry owners – can access funding for harvesting and adding-value to forestry products.

3.2.1 For activities relating to harvesting of woodland the eligible activities include:

- In-forest activities up to and including harvesting.
- Improving access to forestry where access is limiting the management and development of forestry
- The cost of producing management plans where linked to these investments.

Forest owners can also invest in improving the infrastructure for in-forest recreational activities such as cycle tracks.

In order to qualify for support, the above investments will need to satisfy the following criteria:

- investments shall be based on a forest management plan appropriate to the size and use of the forest area;
- they will contribute to one or more of the objectives of Regional Forestry Framework (go to the Forestry Commission website)
- they are closely linked to the implementation of a management plan or other grant scheme contract which has been approved by the relevant authorities;
- they will deliver significant public benefits (for example; improving the ecological condition of the woodland, enhancing public access and understanding, conserving heritage and addressing climate change);
- all activities must comply with relevant Forestry Commission standards and recommended good practice to ensure environmental and other public benefits are secured.

3.2.2 Adding-value to forestry products can be grant aided but is limited to all working operations prior to industrial processing, including, for example, dismembering, stripping, and cutting up. Example activities include:

- investments aimed at improving efficiency in processing and marketing
- promoting the processing and marketing of forestry production for renewable energy
- introducing new technologies and innovation;
- opening new market opportunities for forestry products, putting emphasis on quality;
- improving environmental protection, and occupational safety.

Eligible costs for adding value include:

- capital costs including new build and conversions, equipment and machinery and associated infrastructure;
- architects', engineers' and consultants' fees;
- feasibility studies;
- product development, branding and design costs.

3.3 Forestry contractors and other rural businesses involved in forestry activities - eligible activities include in-forest activities up to and including harvesting, and adding-value to forestry products. However, support is limited to micro-businesses (less than 10 employees and less than 2m euros turnover) and there is an upper limit on the level of grant aid.

3.4 The grant rates and amounts vary by type of activity:

Activity	Eligible applicants	Grant rate and funding measure	Max grant £
Forestry harvesting and handling equipment..	Private forestry owners. Forestry contractors and other rural businesses involved in forestry activities – must be micro businesses i.e. less than 10 employees and turnover less than 2m euros turnover or 2m euros balance sheet total	Max 50% Measure 122 - Improving the economic performance of forestry Max 50% Measure 312 - Support for rural micro-businesses	No regulatory limit. Local budgets will influence size of grant award Subject to state aid rules. Maximum 200,000 euros (about £140,000 depending on exchange rates)
Improved access to forestry to allow improved management and harvesting of that forestry	Forestry owners	Max 40% Measure 125 - Infrastructure for the development and adaptation of agriculture and forestry	Subject to state aid rules. Maximum 200,000 euros (about £140,000 depending on exchange rates)
Adding value to forestry products	Forestry micro-enterprises (less	Max 40% Measure 123 -	Subject to state aid

	than 10 employees and 2m euros turnover or 2m euros balance sheet total)	Adding value to agricultural and forestry products	rules. Maximum 200,000 euros (about £140,000 depending on exchange rates)
In-forest infrastructure for recreational activities eg cycle tracks.	Private forestry owners.	Max 50% Measure 122 - Improving the economic performance of forestry	No regulatory limit. Local budgets will influence size of grant award
Training for forestry activities	Farming, forestry owners and forestry contractors Other rural micro-businesses	Max 100% but typically less than 70%. Measure 111 - Vocational Training for farmers, horticulturalists and foresters Max 70% Measure 331 - Training and information for rural businesses	N/A
Cooperation between producers, processors, equipment suppliers etc to develop new products, processes and technologies	See section 9		

In addition to the above, applicants can receive support for costs associated with architects', engineers' and consultants' fees, feasibility studies, and costs associated with setting-up cooperation such as legal and accountancy fees.

3.5 Where to apply for funding –

- For applicants who live and operate in a Leader Local Action Group area (LAG) and where the grant request is up to £50,000, they should contact their LAG in the first instance.
- For non-Leader areas and for large projects within leader areas, contact the Forestry Commission who are working on SEEDA's behalf

to facilitate forestry grant applications – see section 12. With direct applications to the Forestry Commission/SEEDA additional criteria will apply as outlined at appendix 1.

- For training – farmers, foresters and forestry contractors should apply to their local training provider who will have access to RDPE funds on your behalf. For all others apply to the Leader local action group.

4 Adding-value to food products and horticultural products

4.1 The objective is to improve the processing and marketing of primary agricultural and horticultural products through investment in improved efficiency, new technologies, new market opportunities, renewable energy and improvements to the overall performance of the enterprise. Support is limited to food and non-food products listed by the EU in “annex 1” – this is shown at appendix 2. RDPE cannot support marine fisheries products, but it can assist freshwater fishery products. For non-annex 1 food products see section 5.

4.2 The eligible activities could include:

- investments aimed at improving efficiency in the processing and marketing of products;
- promoting the processing and marketing of agricultural produce;
- introducing new technologies and innovation;
- opening new market opportunities for agricultural products, putting emphasis on quality;
- improving environmental protection, occupational safety, hygiene and animal welfare, as appropriate.

4.3 Eligible costs will include:

- capital costs including new build and conversions, equipment and machinery and associated infrastructure;
- architects’, engineers’ and consultants’ fees;
- feasibility studies;
- product development, branding and design costs.

4.4 Eligible applicants will include farmers, horticulturalists and food processors.

4.5 Grant rates are up to 40% but this varies (as does the total grant available) by type of activity and the size of the applicant business, see table below (NB the table refers to “EU Annex 1” which is a list of products that are eligible for support under this element of RDPE, see appendix 2 for further details):

Activity	Eligible applicants	Grant rate and funding measure	Max grant £
Processing and adding-value to primary agricultural produce - The produce going into the process must be listed as Annex 1, the end product must be listed as annex 1 (see appendix 2)	Farmers, horticulturalists, farmer controlled businesses and food processing businesses that have less than 250 employees and a turnover < 50m euros or <43m euros balance sheet.	Max 40% Measure 123 - Adding value to agricultural and forestry products	No regulatory limit. Local budgets will influence size of grant award
Processing and adding-value to primary agricultural produce - The produce going into the process must be listed as Annex 1, the end product must be listed as annex 1 (see appendix 2)	Farmers, horticulturalists, farmer controlled businesses and food processing businesses that have >250 but < 750 employees and a turnover >50m but < 200m euros.	Max 20% Measure 123 - Adding value to agricultural and forestry products	No regulatory limit. Local budgets will influence size of grant award
Processing and adding-value to primary agricultural produce - The produce going into the process listed as Annex 1, but the end product is not listed as annex 1 (see appendix 2)	Farmers, horticulturalists, farmer controlled businesses and food processing businesses – businesses <50 employees and <10m euros turnover or 10m euros balance sheet. As above but >50 and <250 employees and >10m and <50m euros turnover or 43m euros balance sheet	Max 15% (expected to rise to 20% in July 2008) Measure 123 - Adding value to agricultural and forestry products Or up to 40% to a max of 200,000 euros grant aid Max 7.5% (expected to rise to 10% in July 2008) Measure 123 - Adding value to agricultural and forestry products Or up to 40% to a max of 200,000 euros grant aid	No regulatory limit. Local budgets will influence size of grant award State aid rules apply No regulatory limit. Local budgets will influence size of grant award State aid rules apply

Training related to adding-value to food activities	Farmers, farmer controlled businesses and horticulturalists Food processors	Max 70% Measure 111 – Vocational training Max 70% but for general training max 35% for non-transferable skills. Measure 111 – vocational training	N/A N/A
Cooperation between farmers, horticulturalists, food processors, equipment suppliers, and raw materials suppliers to develop new products, processes and technologies	See section 9		

NB: Farmer controlled businesses eg co-operatives should contact SEEDA to establish their eligibility to apply for grant aid.

4.6 Where to apply for funding –

- For applicants who live and operate in a Leader Local Action Group area (LAG) and where the grant request is up to £50,000, they should contact their LAG. Outside of Leader areas in the South East the RDPE will **not** fund these small projects.
- For projects where the grant request is >£50,000 apply direct to SEEDA, but note they will focus on supporting larger and/or collaborative enterprises that meet the additional criteria as outlined at appendix 1.
- For training - farmers, horticulturalists and food businesses should apply to their local training provider who will have access to RDPE funds on your behalf.

5. Developing and adding-value to niche and novel crops and livestock products

5.1 The RDPE can support the development of alternative agricultural activities such as diversification into non-food markets e.g. raw material energy products, bio energy crops, niche crops, and novel crops and livestock. To support these activities the funding can also cover improving crop storage in order to improve the quality of the product (for example, specialised storage and handling buildings, provision of ventilation, insulation and refrigeration). In addition, grant aid is available for the processing and marketing of non-food products and non-annex 1 food products (see appendix 2 for a list of annex 1 products as defined by the EU).

5.2 Eligible investments can include

- new build and conversions, equipment and machinery
- architects', engineers' and consultants' fees
- feasibility studies
- costs of cooperation such as legal fees, accountancy costs

NB: the purchase of agricultural production rights, animals, annual plants and their planting are not eligible for grant aid. Simple replacement investments are not eligible for grant aid.

5.4 Grant rates

Activity	Eligible applicants	Grant rate and funding measure	Max grant £
Developing the production of non-food products as described in para 5.1	Farmers, horticulturalists and farmer controlled businesses	Max 40% Measure 121 - Modernisation of agricultural holdings	No regulatory limit. Local budgets will influence size of grant award
Processing and marketing non-food products and food non-annex 1 products	Farmers, horticulturalists, and their family members. See section 7. Also, farmer controlled businesses	Max 50% Measure 311 - Diversification into non-agricultural activities	Subject to state aid rules. Maximum 200,000 euros (about £140,000 depending on exchange rates)
Bio-fuel projects	See section 2		
Training in relation to adding-value activities	Farmers and horticulturalists	Max 70% Measure 111	N/A

		– vocational training	
Cooperation between farmers, horticulturalists, processors, equipment suppliers, and raw materials suppliers to develop new products, processes and technologies	See section 9		

NB: Farmer controlled businesses eg co-operatives should contact SEEDA to establish their eligibility to apply for grant aid.

5.5 Where to apply for funding –

- For applicants who live and operate in a Leader Local Action Group area (LAG) and where the grant request is up to £50,000, they should contact their LAG. Outside of Leader areas in the South East the RDPE will **not** fund these small projects.
- For projects where the grant request is >£50,000 apply direct to SEEDA, but note they will focus on supporting larger and/or collaborative enterprises that meet the additional criteria as outlined at appendix 1.
- For training - farmers and horticulturalists should apply to their local training provider who will have access to RDPE funds on your behalf.

6. Water management

6.1 There are significant pressures on water resources in the South East. Global climate change suggests a pattern of drier summers, but at the same time water consumption remains very high in this densely populated region. There is therefore a need for increased capacity for water storage and more effective water management

6.2 Farming and horticultural business are eligible to apply for support for:

- development of peak flow winter abstraction irrigation reservoirs;
- improvement of existing irrigation networks
- water recycling, water harvesting and treatment (but excluding fitting-out of greenhouses)
- improvement or restoration of bodies of water that will contribute to the economic viability of farms.

6.3 Funding will only be considered for water management schemes which are consistent with the relevant River Basin Management Plan, made under the Water Framework Directive (contact the Environment Agency for details). In addition to obtaining the necessary consents from the

Environment Agency applicants must also discuss their proposals with them. The Environment Agency have agreed to offer additional advice to applicants on their Catchment Management Strategies in the South East.

6.4 Grant rates and amounts.

Activity	Eligible applicants	Grant rate and funding measure	Max grant £
Water management investments	Farmers and horticulturalists	Max 40% Measure 125 - Infrastructure for the development and adaptation of agriculture and forestry	No regulatory limit. Local budgets will influence size of grant award
Water management investments	Foresters	Max 40% Measure 125 - Infrastructure for the development and adaptation of agriculture and forestry	Subject to state aid rules. Maximum 200,000 euros (about £140,000 depending on exchange rates)
Training in relation to water management activities	Farmers, horticulturalists and forestry owners	Max 100%, but typically <70% Measure 111 – Vocational training	N/A

6.5 Where to apply for funding

- This area of funding will be managed solely by SEEDA, see the list of SEEDA contacts at section 12.
- For training contact your local training provider who will have access to RDPE funds on your behalf.

7. Farm diversification

7.1 Many farm businesses have already diversified but there is substantial scope for new enterprise and the development of existing enterprises in order to generate additional income.

7.2 Support is available to members of a farm household as defined below:

“a natural or legal person or a group of natural or legal persons, whatever legal status is granted to the group and its members by national law, with the exception of farm workers. Where a member of the farm household is a legal person or group of legal persons, that member must exercise an agricultural activity on the farm at the time of the support application.”

Support is also available to farmer controlled businesses

7.3 The following list illustrates the types of activities that could be supported with RDPE funds:

- retailing, manufacturing or service industries, including self-made products, recreation, tourism, equestrian and creative industries (for example, artisan crafts);
- environmental services, including the traditional trades required to maintain and enhance the landscape;
- renewable energy, including storage/supply of woodfuel (planting support and forestry processing activities are covered elsewhere).

7.4 Grant rates and amounts

Activity	Eligible applicants	Grant rate and funding measure	Max grant £
Farm diversification into non-agricultural activities – contact your Leader local action group or SEEDA at an early stage to establish the eligibility of your proposals.	Farmers, horticulturalists, and their family members. See section 7. Also, farmer controlled businesses	Max 50% Measure 311 – Diversification into non-agricultural activities	Subject to state aid rules. Maximum 200,000 euros (about £140,000 depending on exchange rates)
Training in relation to farm diversification	Farmers, horticulturalists, and members of their family (see 7.2 for a definition).	Max 70% Measure 331 - Training and information for rural businesses	N/A

7.5 Where to apply for funding –

- For applicants who live and operate in a Leader Local Action Group area (LAG) and where the grant request is up to £50,000, they should apply to their LAG. Outside of Leader areas in the South East the RDPE will **not** fund these small projects.
- For projects where the grant request is >£50,000 apply direct to SEEDA, but note they will focus on supporting larger and/or collaborative enterprises that meet the additional criteria as outlined at appendix 1.
- For training contact your local training provider who will have access to RDPE funds on your behalf.
- For projects that fall outside of the above RDPE criteria there might be funding available from another budget within SEEDA – see section 12 for further details

8. Rural tourism projects

8.1 RDPE funding is available to help use the natural and cultural resources in rural areas to attract visitors and create new employment through the development of tourism. Also, to make rural tourism businesses more sustainable through collaboration, resource efficiency (including the management of visitor impacts) and effective use of ICT. NB: Farmers wishing to diversify into rural tourism should refer to section 7.

8.2. Eligible activities can include:

- small-scale infrastructure such as information centres and the signposting and interpretation of tourist sites;
- recreational infrastructure such as that offering access to natural areas and the historic environment;
- small-capacity accommodation provision and upgrading of existing provision when justified by significant wider benefits;
- the development and/or marketing of rural tourism services;
- assisting tourism providers to develop clusters and business initiatives to meet visitor needs and market their products and services;
- networking and collaboration within the tourism industry including benchmarking;
- supporting the development of new niche markets e.g. 'green tourism';
- promotion of tourism activities linked to quality regional and local food culture and rural crafts;
- improved information and booking arrangements, including e-tourism and other use of ICT.

8.3 Eligible investments will include:

- grant aid towards the costs of small-scale capital investments;
- feasibility studies and start-up revenue costs;

- cost of establishing collaborative initiatives;
- marketing support and market development activities, directly linked to an investment under this measure;
- technical support to help new businesses become established and to help existing businesses to improve the quality of their services, consolidate and expand.
- support for non productive investments for public access under Environmental Stewardship to assist in providing educational and recreational benefits for the public to give them a greater understanding of the countryside.

8.4 Grant rates and amounts

Activity	Eligible applicants	Grant rate and funding measure	Max grant £
Rural tourism projects	Existing tourism enterprises in rural areas, tourism related organisations and persons wishing to set up new rural tourism enterprises (not farmers)	Max 100% for non-commercial activities, but <50% for commercial enterprises. Measure 313 Encouragement of rural tourism	Subject to state aid rules. Maximum 200,000 euros (about £140,000 depending on exchange rates)
Training in relation to tourism activities	As above	Max 70% Measure 331 –	N/A

NB: Farmer controlled businesses eg co-operatives should contact SEEDA to establish their eligibility to apply for grant aid.

8.5 Where to apply for funding –

- For applicants who live and operate in a Leader Local Action Group area (LAG) and where the grant request is up to £50,000, they should apply to their LAG. Outside of Leader areas in the South East the RDPE will **not** fund these small projects.
- For projects where the grant request is >£50,000 apply direct to SEEDA, but note they will focus on supporting larger and/or

collaborative enterprises that meet the additional criteria as outlined at appendix 1.

- For training contact SEEDA for further details

9. Cooperation to develop new products, processes and technologies

9.1 There are many opportunities for business across the food supply chain to work together to take advantage of market opportunities and develop new products, processes and technologies. The RDPE aims to encourage cooperation between farmers, the food and the raw materials processing industries and other parties.

9.2 This funding is also for encouraging cooperation between producers and processors to develop new products, processes and technologies for forestry products, non-food crops and renewable energy.

9.3 Eligible investments include the development of new products, processes and technologies up to the point that they are put into commercial production. Eligible investments include:

- Product design
- Product testing
- Process or technology development, and research for innovative solutions
- Costs related to establishing cooperative business activities (such as legal fees/accountancy costs).

Activity	Eligible applicants	Grant rate and funding measure	Max grant £
Cooperation to develop new products, processes and technologies for adding-value to primary agricultural produce	Farmers and horticulturalists working with processors, retailers, trade associations etc (see 8.4)	Max 100% but typically around 50%. It varies by type of eligible activity. Ask SEEDA for further details.	No regulatory limit. Local budgets will influence size of grant award
Cooperation to develop new products, processes and technologies for adding-value to forestry products	Forestry owners, forestry processors etc (see 8.4)	Max 100% but typically around 50%. It varies by type of eligible activity. Ask SEEDA for further details.	No regulatory limit. Local budgets will influence size of grant award
Training in relation to cooperation activities	Farmers, horticulturalists,	Max 70% Measure 111	N/A

	foresters and food businesses.	– Vocational training	
	All others	Max 70% but likely to be less. Measure 331 - Training and information for rural businesses	N/A

9.4 Each cooperation project must involve a minimum of two partner organisations/businesses, and at least one must be a primary producer in agriculture, horticulture or forestry. Partners to primary producers can include.

- food manufacturers and processors
- food retailers and distributors
- forestry enterprises
- raw materials processors
- manufacturers and distributors of inputs
- trade associations
- levy boards
- research establishments.

9.5 Where to apply for funding –

- For applicants who live and operate in a Leader Local Action Group area (LAG) and where the grant request is up to £50,000, they should apply to their LAG in the first instance.
- For projects where the grant request is >£50,000 apply direct to SEEDA.
- For training – farmers, horticulturalists, food processors and foresters should apply to their local training provider who will have access to RDPE funds on your behalf. For all others contact SEEDA.

10. Developing rural businesses and communities

10.1 RDPE will fund a wide range of activities to support rural communities and micro businesses but note that all of this funding will be delivered through the Leader local action groups. Funding for these activities will typically not be available outside of Leader areas. Also note that activities that are a statutory duty of local or national government will not be grant aided under the RDPE.

10.2 Development and creation of rural micro-businesses.

10.2.1 Eligible activities

- Retailing, manufacturing or service industries, including self-made products, recreation, equestrian and creative industries

- environmental services, including the traditional trades required to maintain and enhance the landscape
- renewable energy (planting support and forestry processing activity eligible under other measures will not be eligible under this measure).

10.2.2 Eligible investments will include

- the costs of capital investment in equipment and buildings;
- market research and feasibility studies;
- marketing support, product development, branding and design costs;
- technical support to help new businesses and social enterprises become established and to help existing businesses and social enterprises to consolidate and expand
- start-up revenue costs (this will be for a short time period);

10.2.3 Grant rates and amounts

Activity	Eligible applicants	Grant rate and funding measure	Max grant £
Development and creation of rural micro businesses.	Rural micro-businesses (less than 10 employees and 2m euros turnover or 2m euros balance sheet total). Farmers eligible under other measures will not be eligible under this one.	Max 50% Measure 312 – Support for rural micro-businesses	Subject to state aid rules. Maximum 200,000 euros (about £140,000 depending on exchange rates)
Training for rural micro businesses. ICT skills, coaching and mentoring in business skills, traditional rural skills.	As above	Max 70% Measure 331 - Training and information for rural businesses –	N/A

10.2.4 Where to apply for funding – Apply to the Leader local action group.

10.3 Basic services for rural communities

10.3.1 Eligible activities include

- cultural and leisure activities e.g. places for the production and display of local art and culture, including for community festivals and events,

- recreational facilities, for instance development of local sports grounds and community parks/gardens etc
- development of community buildings to provide services;
- developing community enterprises to provide key services e.g. childcare/eldercare;
- energy services – e.g. woodfuel based heat/and or power system for village /community buildings and community renewable energy projects.
- shop/retail services;
- support of ICT for community benefit.

10.3.2 Eligible investments will include

- grant aid towards the costs of small-scale capital costs;
- community capacity building activity and facilitation/technical support;
- costs associated with the establishment (but not the ongoing maintenance) of the new basic service

10.3.3 Grant rates and amounts

Activity	Eligible applicants	Grant rate and funding measure	Max grant £
Basic services for rural communities	Businesses, social enterprises, charities, and other formally constituted groups	Max 100% but typically less than 100% Measure 321 - Basic services for the rural population	Most activities will not be subject to state aid and the limit on funding will be the size of local budgets. See appendix 13 for further details. If state aid rules apply the max funding is 200,000 euros (about £140,000 depending on exchange rates))

10.3.4 Where to apply for funding – Apply to the Leader local action group. This funding is only available in Leader areas.

10.4 Village renewal and development

10.4.1 Eligible activities include

- support small-scale infrastructure projects to develop or enhance:
 - village approaches
 - main streets

- community buildings
- amenity spaces
- workspaces
- where possible, some aspects of the measure will be linked with environmental land management support under Axis 2;
- the encouragement of collaborative, networking social enterprises; improving the functionality of community facilities.

10.4.2 Eligible investments include

- grant aid towards the costs of small-scale capital projects
- marketing support.

10.4.3 Grant rates and amounts

Activity	Eligible applicants	Grant rate and funding measure	Max grant £
Village renewal and development	Businesses, social enterprises, charities, and other formally constituted groups	Max 100% but typically less than 100% Measure 322 - Village renewal and development	Most activities will not be subject to state aid and the limit on funding will be the size of local budgets. See appendix 13 for further details. If state aid rules apply the max funding is 200,000 euros (about £140,000 depending on exchange rates))

10.4.5 Where to apply for funding – Apply to the Leader local action group. This funding is only available in Leader areas.

10.5 Conserving and upgrading rural heritage

10.5.1 Eligible activities include

- raising awareness of environmental issues
- investments associated with the maintenance restoration and upgrading of the natural heritage;
- small-scale infrastructural improvements;
- studies and investments associated with maintenance, restoration and upgrading of the cultural heritage, such as the cultural features of cultural and environmental heritage.

10.5.2 Eligible investments include

- grant aid towards the costs of capital investments;

- interpretation and materials;
- research studies;
- audits.

10.5.3 Grant rates and amounts

Activity	Eligible applicants	Grant rate and funding measure	Max grant £
Conserving and upgrading rural heritage	Businesses, social enterprises, charities, and other formally constituted groups	Max 100% but typically less than 100% Measure 323 - Conservation and upgrading of the rural heritage	Most activities will not be subject to state aid and the limit on funding will be the size of local budgets. See appendix 13 for further details. If state aid rules apply the max funding is 200,000 euros (about £140,000 depending on exchange rates))

10.5.4 Where to apply for funding – Apply to the Leader local action group. This funding is only available in Leader areas.

11. How to apply for funding

11.1 Whether you are applying to a Leader local action group or direct to SEEDA the application process has three stages:

- You must first submit an initial expression of interest that will result in you receiving advice on the eligibility of your proposals and how to proceed. In some cases you will be advised to not make an application for grant aid.
- If your expression of interest results in you being advised to proceed to a full application you will be sent the application forms and guidance notes.
- When your full application has been submitted it will be appraised and then considered by a selection panel. The outcome of the selection panel will either be to reject or approve your application. If approved you will be sent a detailed contract for consideration.

11.2 Please note when making a full application you must submit the following:

- All necessary consents and approvals including planning approval where needed.
- Three competitive quotes for all expenditure.

- A business plan or budget to illustrate the performance of the proposed activity. In some cases a full business plan is required but in others we can accept just budget information – this depends on the type of activity but the guidance notes will tell you what is required.
- Written evidence of Landlords approval if you are a tenant, and evidence that you have security of tenure for 6 years.
- Three years accounts for established businesses.
- A fully completed application form.
- Information on any funding you have received in the last three years that was notified as coming under State Aid Rules (this would be clearly shown on the grant offer letters or contracts).

11.3 Applicants also need to demonstrate:

- a need for public support, and that the minimum level of grant support necessary for delivering a successful outcome has been requested.
- evidence that the underlying business or organisation has the financial capacity to undertake the project, and the management skills to manage the project
- the project will become financially viable
- the ongoing skills needed by the project are in place or will be put in place through training or recruitment
- they have made provision to bank roll the project because grant payments are made in arrears on the presentation of a claim form supported by receipted invoices.
- the project demonstrates that it meets all current environmental legislation. But note that preference will be given to projects that go beyond normal regulatory requirements in terms of water useage and quality, energy efficiency, waste minimisation and management, noise, air quality, and other emissions.
- they have addressed the criteria shown at appendix 1.

11.4 SEEDA and Leader local action group staff can guide you through the process.

11.5 You must not start work, purchase any items or make any commitments to purchase items on which you wish to claim grant, prior to receiving a grant contract from SEEDA or the Leader local action group.

11.5 The expressions of interest form is on the SEEDA website at www.seeda.co.uk/RDPE .

12. Where to go for advice and other sources of grant aid

12.1 SEEDA contacts

Area of responsibility	Names	Contact details
RDPE Programme	TBC	01483 484200

manager		
Leader activities	Barry Willett Sarah Richards	barrywillett@seeda.co.uk 01483 484200 sarahrichards@seeda.co.uk 01483 484200
Training, information and technology transfer	Sarah Richards	sarahrichards@seeda.co.uk 01483 484200
Farm diversification, food and non-food adding-value activities, water management, tourism.	Neville Sherlock	nevillesherlock@seeda.co.uk 01634 899900
Renewable energy, forestry, meat processing, livestock.	Jonathan King	jonathanking@seeda.co.uk 01483 484200
General enquiries	Helen Dallas	helendallas@seeda.co.uk 01483 484200
SEEDA Farm Diversification Grant and Rural Redundant Building Grant	Anne Higham	annehigham@seeda.co.uk 01634 899900

NB: Until March 2009 there will be two grants available directly from SEEDA (outside of the RDPE) for the conversion of redundant buildings into a range of economic business uses.

The Farm Diversification Grant - 25% grant (maximum £60,000) available to farmers across the South East region for the conversion of redundant agricultural buildings into non-agricultural business use.

Rural Redundant Building Grant - 25% grant (maximum £60,000) available to individuals, partnerships, limited companies in rural regeneration priority areas of Isle of Wight, East Sussex, New Forest and Kent (Dover, Swale, Shepway, Ashford, Canterbury and Thanet).

Full details of the grants can be found under the Funding & Advice section on the SEEDA website www.seeda.co.uk . Contact Anne Higham at SEEDA.

12.2 Forestry Commission contacts

Please go to www.forestry.gov.uk

12.3 Natural England contacts

Please go to www.naturalengland.org.uk

Appendix 1

Selection criteria for projects

Definition of collaboration - For RDPE in the South East all of the following should apply before you can describe your project as collaborative :

- sharing risk and reward through investment
 - this could be in a shared facility
 - or in separate facilities that are dependent on each other
- having shared objectives in the delivery of a product range
- being dependent on each other for achieving success with a particular product or service
- sharing skills and people

Collaboration does not mean formal co-operation, but co-operative ventures are also encouraged under RDPE.

Additional selection criteria

Activity	Funding criteria
<p>Renewable energy projects. AD plants, boilers, wind turbines, gasification plants, hydro-electric</p>	<ul style="list-style-type: none"> • Projects up to £50,000 grant aid will be handled primarily by Leader local action groups. These projects will tend to be small on-farm facilities and they do not need to be collaborative (although we would encourage this where appropriate). Outside of Leader areas SEEDA will fund these smaller projects direct, using the same criteria. • Projects requiring grant of >£50,000 will be handled by SEEDA direct and preference will be given to projects that demonstrate at least two of the following: <ul style="list-style-type: none"> ○ Collaboration involving more than two rural businesses. ○ Substantial, quantifiable benefits for more than three rural businesses. The extent of the benefit to other businesses will be a major factor in assessing the application for grant aid. Evidence will need to be provided to prove the levels of benefit and the business relationship that will exist. ○ The project will act as beacon to other businesses in the region by providing best practice, innovation, demonstration facilities and/or good quality advice on how to replicate the enterprise. ○ Development of new markets and products
<p>Adding-value to food products and non-food products.</p>	<p>Food and non-food agricultural products</p> <ul style="list-style-type: none"> • Projects up to £50,000 grant aid will be handled by Leader local action groups. These projects will tend to be small on-farm facilities and they do not need to be collaborative. All projects

	<p>will have to demonstrate financial viability and environmental sustainability. Outside of Leader areas SEEDA will NOT fund these smaller projects.</p> <ul style="list-style-type: none"> • Projects requiring > £50,000 grant (typically in excess of £300k grant) will be handled by SEEDA direct. They will need to demonstrate at least two of the following: <ul style="list-style-type: none"> ○ Collaboration involving more than two rural businesses. ○ Substantial, quantifiable benefits for more than three rural businesses. The extent of the benefit to other businesses will be a major factor in assessing the application for grant aid. Evidence will need to be provided to prove the levels of benefit and the business relationship that will exist. ○ The project will act as beacon to other businesses in the region by providing best practice, innovation, demonstration facilities and/or good quality advice on how to replicate the enterprise. ○ Development of new markets and products, or reducing product wastage.
<p>Forestry projects</p>	<ul style="list-style-type: none"> • Projects up to £50,000 grant aid will be usually be handled by Leader local action groups. These projects will tend to be small on-farm facilities. Outside of Leader areas SEEDA (working with the Forestry Commission) will fund these smaller projects direct, using the same criteria. • For all projects that require >£50,000 grant the Forestry Commission (on behalf of SEEDA) will manage the facilitation and appraisal of these projects. Applicants will need to demonstrate at least two of the following: <ul style="list-style-type: none"> ○ Collaboration involving more than two rural businesses. ○ Substantial, quantifiable benefits for more than two rural businesses (which could include forestry contractors). The extent of the benefit to other businesses will be a major factor in assessing the application for grant aid. Evidence will need to be provided to prove the levels of benefit and the business relationship that will exist. ○ The project will act as beacon to other businesses in the region by providing best practice, innovation, demonstration facilities and/or good quality advice on how to replicate the enterprise. ○ Development of new markets and products, or reducing product wastage.
<p>Farm Diversification and Rural tourism projects</p>	<ul style="list-style-type: none"> • Projects up to £50,000 grant aid will be handled by Leader local action groups. These projects will tend to be small on-farm facilities and they do not need to be collaborative. Outside of Leader areas SEEDA will NOT fund these smaller projects. • All projects requiring grant in the range of £50,000 to

£140,000 (typically in excess of £100,000 grant) will be handled by SEEDA direct. They will need to demonstrate at least one of the following:

- Collaboration involving more than two rural businesses.
- Substantial, quantifiable benefits for more than three rural businesses. The extent of the benefit to other businesses will be a major factor in assessing the application for grant aid. Evidence will need to be provided to prove the levels of benefit and the business relationship that will exist.
- The project will act as beacon to other businesses in the region by providing best practice, innovation, demonstration facilities and/or good quality advice on how to replicate the enterprise.

Appendix 2**Annex 1 products**

This is an example list and must not be taken as a definitive source of information.

Live animals

Meat and edible meat offals

Fish, crustaceans and molluscs

Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included

Guts, bladders and stomachs of animals (other than fish), whole and pieces thereof

Animal products not elsewhere specified or included; dead animals of Chapter 1 or Chapter 3, unfit for human consumption

Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage

Edible vegetables and certain roots and tubers

Edible fruit and nuts; peel of melons or citrus fruit

Coffee, tea and spices, excluding maté

Cereals

Products of the milling industry; malt and starches; gluten; inulin

Oil seeds and oleaginous fruit; miscellaneous grains, seeds and fruit; industrial and medical plants; straw and fodder

Pectin

Lard, other pig fat and poultry fat, rendered and solvent-extracted

Fats of bovine cattle, sheep or goats, unrendered; rendered or solvent-extracted fats (including "premier jus") obtained from those unrendered fats

Lard stearin, oleostearin and tallow stearin; lard oil, oleo-oil and tallow oil, not emulsified or mixed or prepared in any way

Fats and oils, of fish and marine mammals, whether or not refined

Fixed vegetable oils, fluid or solid, crude, refined or purified

Animal or vegetable oils and fats, wholly or partly hydrogenated, or solidified or hardened by any other process, whether or not refined, but not further prepared

Margarine, imitation lard and other prepared edible fats

Degras, residues resulting from the treatment of fatty substances or animal or vegetable waxes

Preparations of meat, of fish, of crustaceans or molluscs

Beet sugar and cane sugar, in solid form

Other sugars in solid form; sugar syrups, not containing added flavouring or colouring matter; artificial honey, whether or not mixed with natural honey; caramel

Molasses

Cocoa beans, whole or broken, raw or roasted

Cocoa shells, husks, skins and waste

Preparations of vegetables, fruit or other parts of plants

Flavoured or coloured sugar syrups

Grape must, in fermentation or with fermentation arrested otherwise than by the addition of alcohol

Wine of fresh grapes; grape must with fermentation arrested by the addition of alcohol

Other fermented beverages (for example, cider, perry and mead)

Ethyl alcohol or neutral spirits, whether or not denatured, of any strength, obtained from agricultural products listed in Annex I to the Treaty, excluding liqueurs and other spirituous beverages and compound alcoholic preparations (known as "concentrated extracts") for the manufacture of beverages

Vinegar and substitutes for vinegar

Residues and waste from the food industries; prepared animal fodder

Unmanufactured tobacco, tobacco refuse

Natural cork, unworked, crushed, granulated or ground; waste cork

Flax, raw or processed but not spun; flax tow and waste (including pulled or garnetted rags)

True hemp (*Cannabis Sativa*) raw or processed but not spun; tow and waste of true hemp (including pulled or garnetted rags or ropes)

NON-ANNEX I GOODS

Carrageenan Glycerol and glycerol lyes (other than crude glycerol and glycerol lyes), including synthetic glycerol

Sugar confectionery, not containing cocoa (other than liquorice extract containing more than 10% by weight of sucrose but not containing other added substance)

Chocolate and other food preparations containing cocoa

Malt extract; preparations of flour, meal, starch or malt extract, of a kind used as infant food or for dietetic or culinary purposes containing less than 50% by weight of cocoa

Macaroni, spaghetti and similar products

Tapioca and sago; tapioca and sago substitutes obtained from potato or other starches

Prepared foods, obtained by the swelling or roasting of cereals or cereal products (puffed rice, corn flakes and similar products)

Bread, ships'biscuits and other ordinary bakers'wares, not containing added sugar, honey, eggs, fats, cheese or fruit; communion wafers; cachets of a kind suitable for pharmaceutical use; sealing wafers; rice paper and similar products

Pastry, biscuits, cakes and other fine bakers'wares, whether or not containing cocoa in any proportion

Extracts, essences or concentrates, of coffee, tea or maté and preparations with a basis of those extracts, essences or concentrates; roasted chicory and other roasted coffee substitutes and extracts, essences and concentrates thereof (other than roasted chicory and extracts, essences or concentrates of roasted chicory)

Sauces; mixed condiments and mixed seasonings

Soups and broths (other than "bouillions") in liquid, solid or powder form

Bakers'yeast

Inactive natural yeasts

Food preparations not elsewhere specified or included (other than flavoured or coloured sugar syrups)

Lemonade, flavoured spa waters and flavoured aerated waters, and other non-alcoholic beverages, not including fruit and vegetable juices

Beer made from malt

Vermouths and other wines of fresh grapes flavoured with aromatic extracts

Spirituos beverages (other than rum, arrack, and tafia; bourbon whiskey and the whiskies referred to in Regulation (EEC) No 1187/81; and plum, pear or cherry spirit (excluding liqueurs))

Organic chemicals

Pharmaceutical products

Organic surface-active agents; surface-active preparations and washing preparations, whether or not containing soap

Albuminoidal substances; glues; enzymes

Miscellaneous chemical products

Artificial resins and plastic materials, cellulose esters and ethers, and articles thereof

Appendix 3

A brief explanation of EU state aid rules

State Aid rules aim to ensure fair competition and a single common market. Giving favoured treatment to some businesses could:

- harm business competitors;
- risk distorting the normal competitive market; and
- hinder the long-term competitiveness of the Community.

The European Community founding Treaty generally forbids State-funded aid that would favour certain businesses or goods production. The State Aid rules aim to:

- Prevent State Aid that would seriously distort competition - thereby helping to achieve a fair market for businesses in all Member States;
- Allow State Aid that promotes economic development and other legitimate policy objectives, where this benefit outweighs any distortion of competition.

Some elements of RDPE funding have special arrangements under state aid rules and in these circumstances there are less restrictions on the levels of support that is available. However, some RDPE funding measures are within state aid rules. To assess whether state aid applies to an activity you need to ask:

- Is the aid granted by the state or through state resources?
- Does the aid favour certain undertakings or the production of certain goods?
- Would the aid distort or threaten to distort competition?
- Would the aid affect trade between member states?

Where state aid rules apply you will be restricted to 200,000 euros of public support over a rolling three year period, and other sources of public funding that you might be receiving could be taken into account when calculating the 200,000 euros limit. You need to check the terms and conditions of all other sources of public funding you might be receiving as the funding body is obliged to inform you if their support is covered by state aid rules.