

## Rural Development Programme England (RDPE) 2007 – 2013



Prospectus and guidance on the use  
of Axis 1 and 3 in the East of England



## Foreword

The new Rural Development Programme for England (RDPE) 2007-13 received approval from the European Commission in December 2007 which means it is now fully operational. This prospectus is designed to explain this programme and I hope alert you to the opportunities that rural businesses and communities can access to improve the competitiveness of business and the rural economy as well as working towards improving the quality of life in rural areas.

There are some significant changes to bear in mind compared to the previous programme:

- for a start, we will have twice the budget available to the previous programme. EEDA will be responsible for delivering some £65 million of socio-economic funding over the programming period;
- EEDA will take a strategic, investment led approach to delivering the programme which means that we will take a pro active commissioning approach to project development; and
- the Leader approach to delivery is a fully integrated component of the Programme.

I believe these changes will allow us to make a much greater contribution to our rural communities than we were able to achieve under the old programme. EEDA is pleased to be working closely with Natural England and the Forestry Commission as key delivery partners with the aim of creating a truly holistic and high impact set of projects.

EEDA and its partners are committed to facilitating the development of high quality projects. Contact us to help you develop your ideas into successful bids – the details of how to do so are at the end of this prospectus.

We look forward to receiving your project ideas and working with you to help our rural businesses and communities thrive.

Richard Ellis  
EEDA Chairman



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## RDPE at a glance

- 1) The Rural Development Programme for England (RDPE) is a £3.9 billion, seven year programme (2007-13), jointly funded by the European Union (EU) and the United Kingdom (UK). Its aims are to safeguard and enhance the rural environment, improve the competitiveness of the agricultural sector and foster sustainable and thriving rural businesses and rural economies across England.

The RDPE succeeds the previous England Rural Development Programme (2000 – 2006). The Rural Enterprise Scheme, the Vocational Training Scheme and Processing and Marketing Grant schemes were closed to new applications in June 2006 but RDA's are continuing to manage the ongoing commitments under these schemes.

For the East of England, EEDA has £65 million to distribute amongst projects, of which £20 million will be delivered via the Leader approach.

- 2) The RDPE will be delivered across three themes, or Axes:

Axis 1 – improving the competitiveness of the farming and forestry sectors

Axis 2 – improving the environment and the countryside

Axis 3 – rural quality of life and diversification of the rural economy.

Axis 1 and 3 will be delivered by EEDA and Axis 2 by Natural England (NE) and the Forestry Commission (FC).

There is also a fourth Axis which will be delivered by EEDA through the community led, bottom-up leader approach. Details of this can be found on page 34 and in the separate 'Leader approach prospectus'.

- 3) The RDPE priorities for the region are set in the context of the EU and the Department of Environment, Food and Rural Affairs (Defra) guidelines. They are explained in more detail on page 9 but have been identified as:
  - Business Efficiency
  - New Markets and Products
  - New Businesses and Enterprises
  - Resource Protection
  - Conservation of the Natural Built and Historic Environment
  - Access and Recreation
  - Rural Community Capacity

- 4) The RDPE is intended to support projects that make a positive contribution to rural development. The programme covers a variety of projects across a wide range of organisations. Projects that seek a commercial return along with those whose sole aim is to provide a social benefit with no or little economic return could all be eligible.

To prioritise resources and to ensure maximum impact of public funds, EEDA will support projects that will deliver multiple benefits to multiple beneficiaries. Isolated projects with a single beneficiary are unlikely to receive funding unless they can demonstrate further replication of output. More details, including a list of possible applicants can be found under Section two: What can RDPE fund?

There are changes in approach and priorities for the RDPE and there will be significant competition for funding. Projects that are eligible may not necessarily attract funding, likewise similar projects that were supported by previous programmes may also not attract funding. It is essential that you contact one of the EEDA facilitators to discuss your project ideas before applying for funding.

- 5) There are dedicated EEDA facilitators to provide guidance and support from the beginning of your idea through to the application process.

EEDA will deliver RDPE funding in three ways:

- Open Application – where the idea for a project is from a single applicant or a collaborative group
- Invitation to Tender – where there is a clearly defined need for the region and a variety of potential partnerships or delivery bodies could undertake delivery
- Commissioning – where there is a single clear industry lead body to undertake a particular area of work on behalf of the region.

- 6) The EU regulations set out what can and cannot be funded. These regulations detail types of activity eligible for funding which are referred to as 'measures'. Projects do not have to fit into just one measure but can straddle several.

Detailed information on individual measures can be found on page 17.

More detailed information on the RDPE including project eligibility, EEDA facilitators, and the application process is explained further in this prospectus.

## Section one: Background

The Rural Development Programme for England (RDPE) is a seven year programme (2007-2013) which is jointly funded by the EU and the national Government to the tune of £3.9 billion, and succeeds the previous England Rural Development Programme (2000-2006). The RDPE aims to safeguard and enhance the rural environment, improve the competitiveness of the agricultural sector and foster sustainable and thriving rural businesses and rural economies. It has 3 main themes which are referred to as Axes:

- Axis 1 – Improving the competitiveness of the farming and forestry sectors
- Axis 2 – Improving the environment and the countryside
- Axis 3 – Rural quality of life and diversification of the rural economy.

A minimum of 5 per cent of RDPE funds must be delivered by the Leader approach, and this is referred to as Axis 4. Leader is a community led approach that provides opportunities for local communities to identify their needs and devise local strategies for the use of RDPE funds to address them. The delivery of RDPE using the Leader approach is covered in more detail later in this prospectus, and in the separate Leader approach prospectus. It is important to note that Leader is fully integrated into RDPE as a delivery mechanism, in contrast to Leader+ and Leader 2 which were separate programmes in their own right.

### **Who delivers RDPE?**

The majority of RDPE funding (80%) is allocated to Axis 2, which Natural England (NE) and Forestry Commission (FC) will deliver via the existing Environmental Stewardship and English Woodland Grant Schemes. Defra has transferred delivery of the socio-economic elements of RDPE (i.e. Axis 1 & 3 and Leader) to the Regional Development Agencies. The East of England Development Agency (EEDA) will therefore deliver Axis 1 & 3 (including Leader approach) funding in the East of England region, in close liaison with NE and FC to ensure that the programme is delivered in an integrated way.

### **What is the legal basis for RDPE?**

The Rural Development Regulation (Council Regulation 1698/2005, agreed in September 2005) sets out the legal framework for the activities that can be funded by the Rural Development Programme for England.

## Section two: What can RDPE fund?

RDPE is intended to support those projects that can make a positive contribution to rural development. The nature of these projects will vary and thus there is a wide range of organisations, individuals and businesses that can apply for funding for their project.

Below is a list of the potential range of possible applicants:

- individual trainees dependent upon agriculture for a living
- training providers
- charities
- social enterprises
- woodland owners
- farm and forestry businesses
- rural businesses
- tourism enterprises located in rural areas
- existing micro enterprises or persons wishing to set up a micro enterprise
- woodland based businesses.

The above list is not exhaustive and should be checked against the measures in section seven for full details.

The Programme also covers a wide range of eligible activities ranging from those designed to produce a commercial return to the applicant to those where the primary aim is to provide a social benefit and there is no or little economic return to a private individual or business.

Whilst most Environmental Stewardship agreements and woodland grants will be made to individual landowners, managers and farmers, EEDA will prioritise its limited resources by funding fewer, larger scale projects. EEDA believes that in order to maximise the impact of its limited funding it must support projects that will deliver multiple benefits to multiple beneficiaries.

Such projects are likely to be multi-partner with individual landowners, local groups or other bodies helping to deliver the project outputs. To gain support, these larger projects will have to demonstrate how they will deliver benefits at the individual farm, rural business or community level. They will also have to demonstrate how they will be more efficient in delivering these benefits than many smaller projects would be.

Isolated projects benefiting a single business are highly unlikely to receive funding unless they are particularly innovative and demonstrate how their outputs could be replicated further if they prove successful.

EEDA has appointed specialist facilitators (see section 11 for contact details) to work with projects across the region to help develop a range of projects that will contribute to the region's priorities.

## **Will all eligible applicants receive funding?**

As with the previous programme, there will be significant competition for funding and you should not assume that an eligible project will necessarily attract funding. Nor should you assume that because similar projects to yours were supported under the previous programme, that your project will be supported by the current programme.

There are changes in the approach and priorities for the current programme based on lessons learned from the previous programme.

We strongly advise you to have a detailed discussion with the EEDA facilitators about your ideas at an early stage.

## **Section three: How much grant is available?**

### **Budgets**

The budget for Axis 1 and 3 over the lifetime of the Programme is a little over £65 million in the East of England of which a minimum of around £20 million will be delivered through the Leader approach.

### **Funding rates**

The funding rates vary depending upon the measures. More detail can be found at section 7. To make sure that maximum use is made of the funds available, and to ensure value for public funds, we intend to award the minimum grant necessary for the project to proceed. We will be taking into account issues including: likely commercial return, level of risk, and ability to secure commercial funding.

We will expect you to have explored other sources of funding to allow your project to happen. Eg commercial borrowing or for training projects, you should explore opportunities for funding from the Learning and Skills Council.

### **Project development costs**

Some larger or more complex projects may require some expert input into project development in order to prepare the project and its supporting documentation, and put it into a suitable state for a funding application. Reasonable costs associated with project development (eg feasibility studies, technical development work, preparation of a detailed business case, etc) are eligible for funding.

Costs associated with filling out the form itself cannot be grant-aided, nor can statutory costs such as fees for planning applications or building regulations.

Project development costs will not be funded in respect of unsuccessful applications. Project development costs are the only costs that can be incurred before the project is approved.

Project development costs are the only costs that can be incurred before the project is approved. As a guide, project development costs should come to no more than ten per cent of the total project costs.

## Section four: The region's priorities – what are they?

The region's RDPE priorities were set in the context of the overall EU and Defra Programme guidelines. Extensive consultation across the region led to the following themes being identified:

- 1) **Business Efficiency** – by focusing on knowledge transfer, skills development and collaboration with the objectives of:
  - increasing supply chain efficiency within the agri-food and forestry sectors by reducing cost and adding value along the chain
  - reducing waste arising from the agri-food sector
  - encouraging efficiency in the use of water in the agri-food sector
  - improving energy efficiency and increasing the uptake of renewable energy.
  
- 2) **New Markets and Products** – by supporting new product development and marketing with the objectives of:
  - developing the markets for, and adding value to, existing food, farming and forestry products produced in the region through processing
  - supporting the creation of new markets and new products within the food, forestry and non food crop sectors.
  
- 3) **New Businesses and Enterprises in the Rural Economy** – by supporting the development of new businesses in the land based sector with the objective of creating new opportunities for the rural population through:
  - broadening the economic base of rural areas
  - diversifying agricultural and forestry sector businesses.
  
- 4) **Resource Protection** – addressing diffuse pollution, improving the management of water and wastes and improving the management of soils in the agricultural and forestry sectors with the objectives of:
  - reducing the environmental impact of both sectors
  - improving the ecological condition of the rural environment.
  
- 5) **Conservation of the Natural Built and Historic Environment** – by supporting land management regimes which balance production with the needs of the landscape, habitat and bio-diversity with the objectives of:
  - maintaining existing environmental assets in good condition
  - improving the condition of environmental assets which have deteriorated
  - creating new habitats where applicable.
  
- 6) **Access and Recreation** – opening up new areas of the rural landscape to public access with the objectives of:
  - helping communities access their local rural landscape
  - promoting accessibility to the countryside for minority and excluded groups
  - increasing the economic opportunities provided by commercial access
  - increasing public understanding and enjoyment of the rural environment.

- 7) **Rural Community Capacity** – supporting communities to be sustainable with the objectives of:
- helping communities identify and address their own needs and aspirations for sustainable development
  - building capacity of rural communities to develop and manage their own assets in a sustainable way and generate economic returns
  - developing links with local businesses and supply chains to benefit the community
  - community activities which develop access to and enhance the environment and countryside.

These priorities are as set out in the Regional Implementation Plan which is available at [www.eeda.org.uk/rdpe](http://www.eeda.org.uk/rdpe)

## Section five: How to apply?

### How will EEDA deliver RDPE funding?

If you are considering applying for Axis 1 or 3 funds it is essential that you contact one of EEDA's facilitators or your Local Action Group (if there is one in your area, see [www.eeda.org.uk/rdpe](http://www.eeda.org.uk/rdpe) for details) to receive initial guidance regarding the eligibility of your proposals and whether it is a potentially strong project which may be successful in securing RDPE funding.

### Procurement of RDPE projects

In delivering RDPE within the region EEDA wishes to adopt a flexible and pragmatic approach to the procurement of projects. In essence there will be three routes by which projects will be funded:

- Open Application
- Invitation to Tender
- Commissioning.

In selecting which route to use in any particular situation EEDA will work with regional partners to assess the options and arrive at a preferred approach. Key factors in assessing which route to use will include:

- source of the 'project concept'
- type of project
- scale and/or coverage of the project
- number of potential delivery partnerships, project leads and potential delivery bodies for the work to be delivered.

### Use of each procurement route:

#### Open Application

Open application will be used where the idea for the project (whether from a single applicant or a collaborative group) comes from within the rural sector itself rather than from a regional strategy or delivery plan.

In exceptional cases applications from single businesses or organisations will be accepted, but in these cases the applicant will be expected to demonstrate that either the project:

- is a pilot of an innovative approach to addressing an issue, which if successful is capable of replication across the region; or
- has wider benefits to other organisations, businesses, communities or individuals across the region.

Such projects will:

- be based upon a clear business case as to how the project will support the sustainable development of the target beneficiaries as well as delivering the aspirations of the East of England RDPE regional implementation plan
- be facilitated by EEDA and its regional partners to ensure that they are aligned with appropriate regional strategies
- be encouraged to broaden their partnership where this would lead to wider benefits, or where there are known to be more than one group which wants to develop the same idea
- have to demonstrate why RDPE is the most appropriate source of funding for them to use and be able to show that other sources of support have been investigated and demonstrate that the necessary private funding is in place.

Where such projects involve substantial inputs for which there are a variety of potential suppliers, the project team will be expected to demonstrate value for money by obtaining competitive quotes and to follow normal procurement rules. This will apply to revenue as well as capital costs.

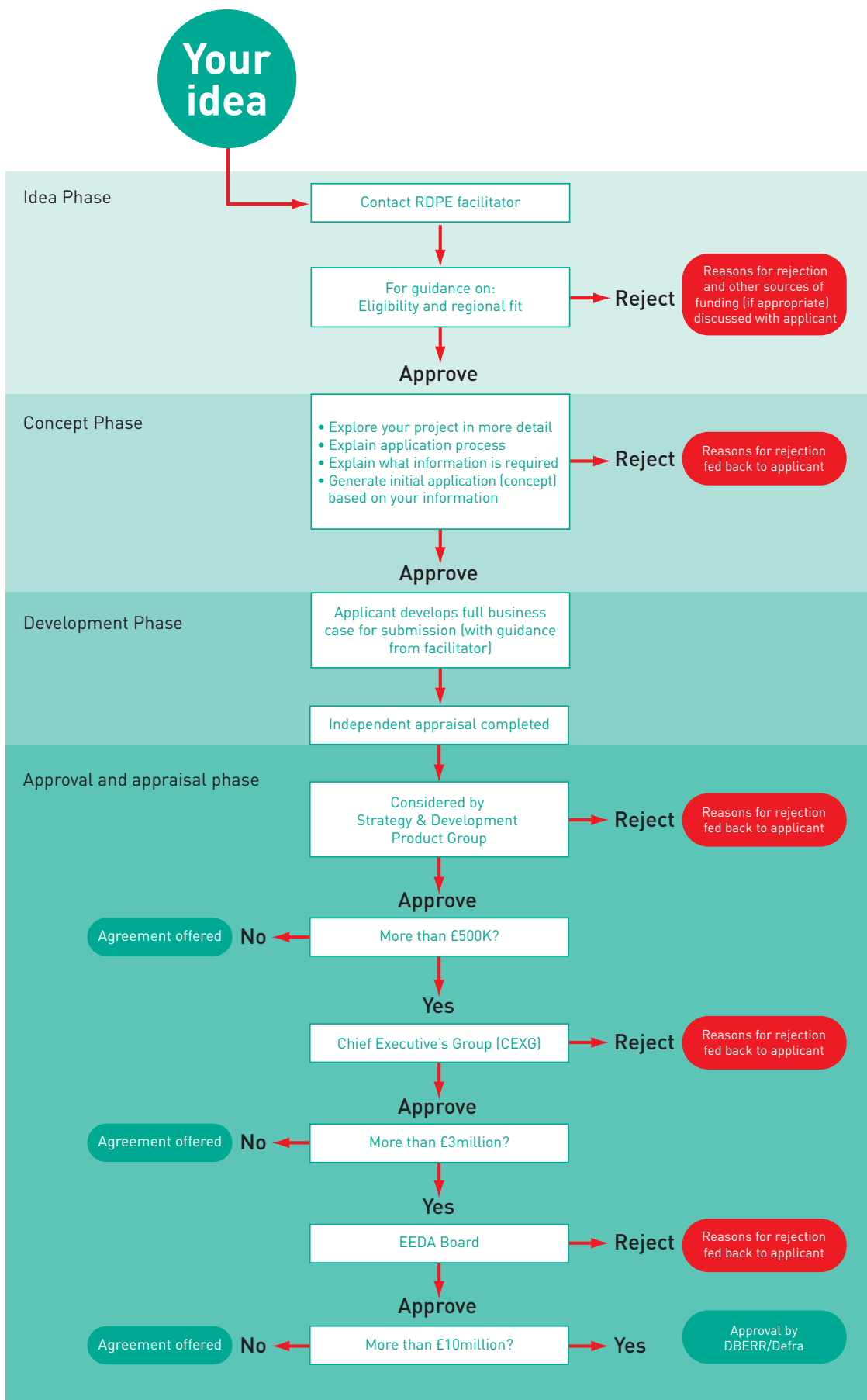
Open application led projects will be appraised and approved via an initial concept paper stage, which if successful will lead to full business case development. Your EEDA facilitator will discuss your project idea with you, exploring options for delivering the project. Your EEDA facilitator will guide you on whether your project is suitable for RDPE funding.

If your project is suitable, your EEDA facilitator will prepare a concept paper for consideration within EEDA, outlining the options for delivery and focusing on how well the proposed project contributes to regional RDPE priorities, the Regional Economic Strategy (RES) and other appropriate strategies, as well as the quality of the proposed project. Feedback to the applicant will indicate whether or not a full application should be developed, and if so what issues it needs to address. This concept stage is designed to reduce the likelihood of your incurring considerable cost in preparing a detailed business case which is unsuccessful.

If the project passes the concept stage, the development of a full Business Case will be facilitated by EEDA staff and by staff in partner bodies as appropriate. All potential projects will need to meet EEDA's quality standards by following the Excellence Framework approach [www.inspire-east.org.uk/excellenceframework](http://www.inspire-east.org.uk/excellenceframework) . Your EEDA facilitator will guide you on what information is required. The application will be appraised by an independent EEDA assessor before a funding decision is made at the appropriate level, depending on the amount of RDPE funding sought.

This process is illustrated in the following flowchart:

# EEDA project flowchart





## Invitation to Tender

Where a clearly defined issue is identified, and where there are a number of possible deliverers, EEDA will use the appropriate procurement process to buy the services and ensure value for money.

Such projects will:

- be agreed with regional stakeholders in advance of being tendered
- normally be supported by a previous review or report which defines the issue and the need for intervention
- be based on an agreement with regional partners on the project objectives, outcomes and/or outputs sought
- be actively monitored by a lead organisation (e.g. EEDA itself or FC, NE, EA, GO etc) which will work with EEDA's RDPE team to oversee the delivery of the contract awarded.

Invitations to Tender will be subject to normal EEDA procurement rules and therefore Official Journal of the European Union (OJEU) thresholds will apply.

Facilitation of bids will not be permitted under this procurement route, except in as far as bidders having the opportunity to ask questions by email, the answers to which will be posted on the EEDA website for all potential bidders to see.

Bidders for projects procured via open tender will be expected to demonstrate innovation in delivery. They will also be expected to create the most appropriate team of delivery bodies, and partnership bids will be encouraged.

## Commissioning

Commissioning will be used in some circumstances where there is a single clear industry lead body to take a particular area of work forward on behalf of the region.

Such projects will:

- be developed in consultation with stakeholders
- normally be supported by a previous review or report which defines the issue and the need for intervention
- be based on an agreement with regional partners on the project outline, project lead and the delivery partnership to maximise the outputs and outcomes delivered
- be actively facilitated by a regional lead organisation (e.g. EEDA, FC, NE, EA, GO etc) which will work with the proposed delivery partnership to ensure strategic alignment and
- be expected to achieve the broadest possible partnership and to be inclusive by ensuring that any potential beneficiaries who wish to participate in the project are given the opportunity to do so.

Where such projects involve substantial inputs for which there are a variety of potential deliverers the project team will be expected to follow normal procurement rules in securing these inputs to the project to ensure value for money. This will apply to revenue as well as capital costs.

Commissioned projects will be appraised and approved via an initial concept paper stage, which if successful will lead to full business case development.

The development of commissioned projects will be facilitated by EEDA staff and by staff in partner bodies as appropriate.

## Section six: Measures and Eligibility

EU regulations set out what can be funded and who can apply. The Rural Development Regulation details types of activity (referred to as “measures”) that can be funded under this programme. Chapter five of the National Programme Document which can be accessed at Defra’s website <http://www.defra.gov.uk/rural/rdpe/pdf/progdoc/chapter5.pdf> sets out the measures in more detail.

This section gives a flavour of what is eligible, but you are strongly advised to contact the EEDA facilitators at an early stage to check the eligibility before progressing too far with your project.

Note: This following section is to give you information and guidance on what the Programme can fund. Your projects do not have to fit into just one of these measures and can make use of more than one measure.

# Measures

## Vocational training and information action (Measure 111)

### Rationale and objective

The skills base in the land-based sector is a continuing concern in terms of both the need for enhanced skills for existing enterprises and the challenges of restructuring for new enterprises. Some of the regions' most rural areas in the Fens and North West Norfolk are amongst the worst in England for the proportion of the adult workforce with no recognised qualifications. Across the land-based sector there are problems for employers in finding appropriate semi-skilled staff.

This measure will be used in the East of England to help raise the overall level of skills in the farming, food and forestry sector as a means of improving the competitiveness of these industries and the contribution they can make to a better environment and prosperous communities.

RDPE will only be used to support skills projects where mainstream funding does not.

This measure could be used in several ways. For example:

- projects purely involved in delivering training
- projects mainly involving capital investment for a new business venture where the farmer suppliers to the new venture receive training to help them supply a product of consistent quality.

### Eligible beneficiaries

The measure will support both individual trainees and providers of training and information services. Trainees must be engaged in a business, organisation or social enterprise which is dependent on agriculture or utilises any agricultural products, or be engaged in a business, organisation or social enterprise dependent on woodland or utilises any woodland or forestry product. Training providers must show a gap in existing training provision in order to qualify for support.

### Eligible activities

This measure allows for a wide range of training and knowledge transfer activities which should be appropriate to the development needs of the trainees. It is worth noting though that this measure cannot support programmes or courses which last longer than three years.

### Eligible costs

Eligible costs may include:

- trainers/ facilitators
- training needs assessments
- training venues and refreshments
- course materials and examination fees
- course evaluation costs
- project management costs for training organisers
- events concerning knowledge transfer and dissemination of research
- small-scale capital costs.

### Aid rates

Generally up to 70 per cent of eligible costs.

## Use of advisory services by farmers and forest holders (Measure 114)

### **Rationale and objective**

This measure will be used in the East of England to improve the sustainable management of neglected woodlands. It is estimated that over 40 per cent of the woodlands of the East of England are unmanaged so there is considerable scope for bringing more woodland into active management in order to stimulate and meet demand for renewable raw materials, notably wood fuel. There is, however, a risk of environmental damage if a drive towards greater management and increased exploitation of the woodland resource is not carried out in an appropriate manner. It will be important to encourage woodland holders to access professional advice that can help ensure that improvements in economic and environmental performance go hand in hand.

### **Eligible beneficiaries**

Support will be granted for the use of advisory services to farmers whose holding includes woodland and to owners or occupiers of woodland or forest which meets the targeting/prioritisation criteria.

### **Eligible activities**

Existing free advice services currently or historically provided by public bodies would not be eligible. However, new additional advisory services provided by these bodies could be eligible. EEDA in association with the Forestry Commission and/or Natural England will be responsible for targeting the advice and selecting the delivery bodies.

### **Eligible costs**

Cost of delivering eligible advice to eligible beneficiaries.

### **Funding rate**

The rate of funding can be 50 to 80 per cent of the costs of advice depending on local need and demand up to a limit of €1,500 per holding.

## Setting up of farm management, farm relief and farm advisory services, as well as forestry advisory services (Measure 115)

### Rationale and objective

In the East of England, this measure will only be used to set up a new advisory service for woodland owners. EEDA will be working in conjunction with the Forestry Commission on this.

The existing provision of high quality forestry advice in the region is adequate to support the current level of woodland management. However if the area of woodland being managed is to be increased significantly there are likely to be requirements for additional advisory services. Forestry advisory services will enable the development and marketing of added-value products, new products and market development.

### Eligible beneficiaries

Organisations, holdings or individuals setting up farm management, farm relief and farm advisory services as well as forestry advisory services. Please note that it is the intention in the East of England to use this measure to concentrate on forestry services only. New services will only be eligible for support under this measure if there is a demonstrated deficit in the provision of appropriate services in the area.

### Eligible activities

A variety of actions including (but not restricted to) facilitation, group workshops, syndicate establishment and group mentoring. The aim will be to increase the number, range and quality of advisory services available at an affordable level to forest holders and remedy gaps in provision of advisory services.

### Eligible costs

Eligible costs include recruitment of staff, training of staff in their first year of employment, purchase of IT equipment and software, marketing and promotion of the service. Capital items, including vehicles and premises are not eligible.

### Funding rates

Up to 50 per cent in the first year, 30 per cent in the second year and 20 per cent in the third year. No support beyond that.

## Modernisation of agricultural holdings (Measure 121)

### Rationale and objective

There are a number of ways in which modernisation projects can improve the economic and environmental performance of farm holdings. For example, significant cost savings can arise from effective on farm nutrient management. Investments that improve the efficiency of production techniques, and that enable the farm business to take advantage of the opportunities offered by new products and markets, also have an important role to play.

EEDA will be using this measure largely to support renewable energy projects such as biogas and anaerobic digestion. EEDA will seek to work with relevant organisations including its sister organisation, Renewables East to deliver this activity through a targeted approach.

### Eligible beneficiaries

Farmers and other land owners (and groups thereof) are the primary beneficiaries of this measure.

### Eligible activities

- developing renewable energy projects or small scale on farm renewable energy technologies (such as farm-scale biogas and anaerobic digestion from raw material used for heating and power generation, installation of heating installations fuelled by wood products, installation on hydro or wind turbines for power generation)
- alternative agriculture (diversification into non-food markets e.g. raw material energy products, bio energy crops, and niche and novel crops and livestock)<sup>1</sup>
- 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)
- improving on farm nutrient management.

### Eligible costs

Costs associated with architects', engineers', and consultants' fees, feasibility studies, costs of cooperation such as legal fees, accountancy costs, new build and conversions, equipment and machinery, and infrastructure may be eligible.

### Funding rates

Funding may be paid at a rate of up to 40 per cent.

<sup>1</sup> The purchase of agricultural production rights, animals, annual plants, and their planting shall not be eligible for investment support. Simple replacement investments shall not be eligible for support.

## Improving the economic value of forests (Measure 122)

### Rationale and objective

The objective of this measure is to improve and broaden the economic value of non-state owned forests, increase diversification of production, and enhance market opportunities, whilst maintaining sustainable management by supporting investments in forestry property or machinery which will in turn help secure the public interest or enhance the provision of public benefits. In the East of England, the grant aiding of such machinery is likely to form part of a wider strategic project rather than applications from individual forestry holders.

### Eligible beneficiaries

Woodland based enterprises (ie owners and managers of woodland) excluding certain categories e.g. state owned forest or other wooded land.

### Eligible activities

Activities that will improve the economic value of or potential of the forest, and protect the public interest or enhance public benefits include:

- in-forest activities up to and including harvesting
- the cost of producing the management plans where linked to investments under this article.

### Eligible costs

The following costs will be considered eligible:

- purchase or hire of specialist harvesting machinery
- storage facilities and handling equipment
- machinery and equipment which will improve woodland habitats
- machinery and equipment for harvesting and in-forest processing of woodfuel
- feasibility study for a woodland recreation enterprise
- infrastructure for in-forest recreational enterprises.

### Funding rates

Funding may be paid at a rate of up to 50 per cent.

## Adding value to agricultural and forestry products (Measure 123)

### Rationale and objective

The objective of this measure is to improve the processing and marketing of primary agricultural and forestry products through investments in improved efficiency, renewable energy, new technologies and new market opportunities, and to improve the overall performance of the enterprise.

### Eligible beneficiaries

For agricultural products, eligibility will be limited to micro, small and medium sized enterprises. For forestry products, eligibility will be limited to micro-enterprises.

### Eligible activities

- processing and marketing of Annex 1 (see Appendix B) products (except fisheries products)
- development of new products, processes and technologies for Annex 1 products (except fisheries products)
- processing and marketing of forestry products, especially for woodfuel
- development of new products, processes and technologies for forestry products.

### Eligible costs

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.

Second hand equipment for large (as defined in the EU Implementing Regulations) companies will be ineligible.

### Funding rate

The maximum RDPE funding rate depends on whether or not the end product is a primary product as defined in Annex 1 of the Treaty of Rome (see Appendix B), and on whether the applicant (beneficiary) is a Small and Medium-sized Enterprise (SME). The State Aids coverage for activity under this measure is complex, and you are advised to view the latest detailed guidance on the Defra website at <http://www.defra.gov.uk/rural/rdpe/pdf/stateaidguid.pdf>

The maximum RDPE funding rate allowed under State Aids rules where the end product(s) is not included in Annex 1 (eg if there has been secondary processing such as producing meat pies) may increase, but at present the maximum rates are:

Type of processing	Applicant	Maximum Aid Rate
Primary <sup>2</sup>	SME	40 per cent
	Intermediate enterprise <sup>3</sup>	20 per cent
Secondary <sup>4</sup>	SME	15 per cent
	Intermediate enterprise	7.5 per cent

<sup>2</sup>Annex 1 in, Annex 1 out

<sup>3</sup>Over 750 employees or a turnover exceeding €200 million

<sup>4</sup>Annex 1 in, non Annex 1 out

## Cooperation for development of new products, processes and technologies (Measure 124)

### Rationale and objective

Reducing unnecessary costs, improving efficiency along the food chain, adding value to production and strengthening links between the food chain can all be achieved through collaboration.

One of the barriers to collaboration however is the transaction cost, particularly in terms of time, that one business faces if it wishes to collaborate with another. Use of this measure will reduce those transaction costs by providing funds for the infrastructure that supports collaboration.

Greater collaboration is particularly desirable at the present time because of the need for the agricultural sector to become more market-orientated, and be able to deal with issues such as risk.

### Eligible beneficiaries

- primary producers in agriculture and forestry, the processing industry and/or third parties
- partners involved in the cooperation projects.

Potential partners in cooperation include farmers, food manufacturers and processors, food retailers and distributors, forestry enterprises, raw materials processors, manufacturers and distributors of inputs, trade associations, levy boards and research establishments.

### Eligible activities

Support contributing to the costs incurred for the cooperation. The collaboration can be between two or more producers, processors or other enterprises.

### Eligible costs

Preparatory operations such as design, product, process or technology development and tests and other tangible and/or intangible investments related to the cooperation (such as legal fees/accountancy costs), before the use of the newly developed products, processes and technologies for commercial purposes.

### Funding rate

The maximum funding rates permissible under State Aids rules are complex, and are set out on the Defra website at <http://www.defra.gov.uk/rural/rdpe/pdf/stateaidguid.pdf>

## Infrastructure related to the development and adaptation of agriculture and forestry (Measure 125)

### Rationale and objective

While much of England is well supplied with water, there are significant pressures on water resources in the East of England. Recent work by the Environment Agency illustrates that most of the region shows a deficit in potential water supply against current and anticipated demand. Recent work commissioned by EEDA has identified areas where the water supply issues are particularly acute.

This work will help focus where limited resources are most needed. In the agri-food sector there is a need to focus on water efficiency, storage of high flow water and other adaptations which reduce the pressure on groundwater supplies, river flows and summer abstraction. In the East of England EEDA will prioritise applications from groups of farming businesses looking to manage their water supplies collaboratively, for example at a catchment level, or from an individual applicant looking at innovative ways to manage water resources through sharing or trading water within their catchment.

It is estimated that over 40 per cent of the woodlands in the East of England are unmanaged. One of the most common reasons for this is inadequate access preventing woodland from realising its full economic potential.

### Eligible beneficiaries

Farm and forestry businesses.

### Eligible activities

Support under this measure could, for example, cover:

- development of high-flow storage reservoirs
- improvement of irrigation networks, water recycling and drainage
- construction or improvement of access roads and tracks to forest land
- improvement or restoration of bodies of water that will contribute to the economic viability of the wood or farm.

### Eligible costs

Eligible costs shall be:

- capital costs
- costs incurred in development and co-ordination where these form a necessary part of the undertaking.

### Funding rates

For agriculture: up to 40 per cent.

For forestry, de minimis rules apply, with a ceiling of €400,000 over 3 years.

## Diversification into non-agricultural activities (Measure 311)

### Rationale and objective

Agriculture is going through some key economic changes, particularly influenced by the 2003 CAP reforms, which provides new business challenges. The purpose of this measure is to support farm business restructuring through the development of alternative income sources from diversified activities. Farm diversification can have benefits beyond the farm gate, especially where there are linkages between farms and the local economy. EEDA wishes to support diversification projects which will provide wide benefits for the local community and not just to the applicant.

### Eligible beneficiaries

Support under this measure will only be available to members of a farm household.

### Eligible activities

Activities that might be supported include:

- retailing, manufacturing or service industries
- environmental technologies and services including traditional trades to maintain and enhance the environment
- renewable energy.

*Note that this is not a definitive list.*

### Eligible costs

- capital investment
- essential start up revenue costs
- market research and feasibility studies
- marketing support, product development, branding and design costs
- technical skills acquisition, coaching and mentoring support
- bespoke training intrinsic to individual project applications
- technical support to help new businesses become established and to help existing businesses to consolidate and expand.

### Funding rates

Up to 50 per cent of eligible costs, depending on the extent of commercial return. Subject to a maximum ceiling of €200,000 over 3 years.

## Support for the creation and development of micro-enterprises (Measure 312)

### Rationale and objective

This measure will provide support for the creation and development of micro-enterprises with a view to promoting entrepreneurship, creating employment opportunities and supporting the growth aspirations of small rural businesses.

### Eligible beneficiaries

Existing micro-enterprises<sup>6</sup> or persons wishing to set up micro-enterprises (see footnote).

### Eligible activities

Activities that might be supported include:

- retailing, manufacturing or service industries
- environmental technologies and services including traditional trades to maintain and enhance the environment
- renewable energy.

*Note that this is not a definitive list.*

### Eligible costs

- grant aid towards the costs of capital investment
- start-up revenue costs
- market research and feasibility studies
- marketing support, product development, branding and design costs
- technical skills acquisition, coaching and mentoring support
- bespoke training intrinsic to individual project applications
- technical support to help new businesses and social enterprises become established and to help existing businesses and social enterprises to consolidate and expand.

### Funding rates

Up to 50 per cent of eligible costs, depending on the extent of commercial return and limited to a maximum of €200,000 over 3 years.

<sup>6</sup>Micro-enterprises as defined in the Commission Recommendation 2003/361/EC have less than 10 employees, a turnover of less than 2million and a balance sheet of less than €2 million.

## Encouragement of tourism activities (Measure 313)

### Rationale and objective

The England Rural Development Programme invested heavily in new accommodation and in upgrading accommodation, with some associated marketing. In most parts of the region, there is now little justification for public intervention in support of individual tourism businesses except where there are significant wider benefits.

However, there are opportunities to improve the services on offer and make rural tourism more sustainable e.g. by forging better links between the business and their local environment and cultural assets (including food and drink), and by encouraging collaboration and more effective use of IT.

There is also the potential for investments in recreational infrastructure (e.g. long distance walking, cycling and riding routes) to deliver both economic and health benefits. Further progress needs to be made in improving the environmental performance of the businesses themselves (eg through resource efficiency, adoption of renewable energy; and promoting the use of public transport and car-free holidays). It is in areas such as these that targeted intervention is needed.

### Eligible beneficiaries

Tourism enterprises located in, and tourism related organisation operating in rural areas, and persons wishing to set up new rural tourism enterprises.

### Eligible Activities

Support under this measure will be targeted primarily towards the development and marketing of tourism services relating to rural tourism, for example:

- 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 quality regional and local food culture and rural crafts linked to tourism
- improved information and booking arrangements, including e-tourism and other use of ICT.

### Eligible costs

- small scale capital investments
- feasibility studies and start-up revenue costs
- cost of establishing collaborative initiatives
- marketing support and market development activities
- bespoke training intrinsic to individual projects
- technical support to help new businesses become established and to help existing businesses to improve the quality of their services, consolidate and expand.

### Funding rates

Up to 100 per cent, depending on the extent of commercial return and limits imposed by the de minimis rules. (However, EEDA's expectation is that we would not consider more than 50 per cent funding of commercial projects, and we would only consider 100 per cent funding for non-commercial projects under exceptional circumstances). Subject to a maximum ceiling of €200,000 over 3 years.

## Basic services for the economy and rural population (Measure 321)

### Objectives

The purpose of this measure is to improve or maintain the living conditions and welfare of those living in rural areas and to increase the attractiveness of such areas through the provision of more and better basic services for the economy and the rural population.

In the English regions, basic services are generally of a high standard. However, there are issues that adversely affect the rural population's ability to access services. Provision of local services such as local shops and community facilities would help to this end. Often this targeting can be most effectively done by local people with a detailed understanding of this needs, so this measure will be delivered through the Leader approach by Local Action Groups.

### Eligible beneficiaries

Businesses, social enterprises, charities and other formally constituted groups.

### Eligible activities

This measure will support the setting up of basic services in rural areas. The needs of rural communities are often most effectively identified by the communities themselves, and we expect this measure to be used in England, for the most part, through Leader approach to delivery.

It is therefore not possible to give a definitive list of activities. However, financial support may be provided for, amongst others:

- cultural and leisure activities
- development of community buildings to provide services
- developing community enterprises to provide key services e.g. childcare/eldercare
- energy services – eg woodfuel based heat/and or power system for village/community buildings
- shop/retail services
- training services.

Activity that is a statutory responsibility of local or national government is excluded.

### Eligible costs

- capital costs of small scale capital projects
- community capacity building activity, training and facilitation/technical support
- the establishment (but not the ongoing maintenance) of a new basic service.

### Funding rates

Up to 100 per cent, depending on the extent of commercial return. Subject to a maximum ceiling of €200,000 over 3 years.

A social enterprise is “a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners.”

## Conservation and upgrading of the rural heritage (Measure 323)

### Rationale and objective

Some of the support provided through the Environment Stewardship scheme will focus on field monuments and vernacular buildings associated with the farmed environment. This measure will complement this activity by focussing on the maintenance, restoration and upgrading of other cultural features of villages and the rural heritage.

This measure will be delivered through the Leader approach by Local Action Groups.

### Eligible beneficiaries

Businesses, social enterprises, charities, and other formally constituted groups.

### Eligible Activities

As this measure may address needs identified both strategically, and by the rural population through the Leader approach it is not possible to give a definitive list of activities. However, support under this measure could cover the following activities:

- identify local community needs and develop environmental audits and action plans
- undertake 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.

### Eligible costs

- capital investments
- interpretation and materials
- research studies
- audits.

### Funding rates

Up to 100 per cent, depending on the extent of commercial returns. Subject to a maximum ceiling of €200,000 over 3 years.

## Training and information for economic actors operating in the fields covered by Axis 3 (Measure 331)

### Rationale and objective

Small businesses, which are a significant part of the rural business stock could face problems releasing employees for training purposes in terms of time and funding. This measure will support the achievement of the outcomes listed for Axis 3 measures (eg diversification into non-agricultural activities, developing micro-enterprises, encouraging tourism) by developing the skills of the rural business owners/staff.

### Eligible beneficiaries

- rural business owners/staff
- businesses, social enterprises, charities, and other formally constituted groups.

### Eligible activities

- provision of training and information, including business skills and technical skills, in support of rural micro enterprises, non-agricultural farm diversification businesses and rural tourism businesses
- support shall not include courses of instruction or training which form part of normal education programmes or systems at secondary or higher level.

### Eligible costs

- trainers/facilitators/mentors
- training needs assessments
- training venues and refreshments
- course materials and examination fees
- course evaluation costs
- project management costs for training organisers
- small scale infrastructure/capital costs.

### Funding rates

Up to 70 per cent, subject to State Aids rules set out at <http://www.defra.gov.uk/rural/rdpe/pdf/stateaidguid.pdf>.

## Skills acquisition and animation with a view to preparing and implementing a local development strategy (Measure 341)

### Rationale and objective

To increase capacity for the implementation of local strategies (other than those developed through the Leader approach).

### Eligible beneficiaries

Public/private partnerships provided that they establish area based Local development strategies at sub regional level and are representative of the public and private actors identified at the area level, and are not supported under Axis 4.

### Eligible activities

- studies of the area concerned
- measures to provide information about the area and the local development strategy
- training of staff involved in the preparation and implementation of a local development strategy
- promotional events and the training of Leaders
- implementation of a local development strategy, except Local Development Strategies being implemented by a Local Action Group established under Axis 4.

### Eligible costs

- partnership running costs subject to a ceiling of 15% of the public expenditure of the local development strategy
- research and development associated with the preparation of the local development strategy.

### Funding rates

Up to 100 per cent, depending on the extent of commercial return. Subject to a maximum ceiling of €200,000 over 3 years.

## Section seven: Other sources of European funding

There are other sources of European funding in the Region, and it is therefore important to ensure that the available RDPE funds are targeted in such a way as to achieve the best value for money, while complementing rather than duplicating other public funds.

### **Employment European Regional Development Fund (ERDF) – Competitiveness Programme**

This programme will invest €110 million in supporting low carbon economic growth in the Region. The programme has four objectives in this region:

- **Objective 1:** to capitalise on the region's strengths in research and development and to ensure that more businesses are genuinely innovative
- **Objective 2:** to increase the productivity of the region's businesses and encourage economic activities that are based on higher skills levels, particularly in those parts of the region that are set for substantial growth
- **Objective 3:** to encourage higher levels of business start up and growth, particularly in activities that are consistent with lower carbon economic growth
- **Objective 4:** to enhance resource efficiency amongst the region's businesses and communities, and to accelerate the development of the environmental goods and services sector (including the continuing development of both "clean technology" businesses, products and services, and renewable forms of energy).

The programme in the region will be focused on three priorities:

- **Priority Axis 1:** promoting innovation and knowledge transfer with the intention of improving productivity
- **Priority Axis 2:** stimulating enterprise and supporting successful business by overcoming barriers to business creation and expansion
- **Priority Axis 3:** ensuring sustainable development, production and consumption.

### **European Social Fund (ESF) Operational Programme**

The two main priorities for this programme are likely to be:

- **Extending employment opportunities**  
This priority aims to increase employment and reduce unemployment and inactivity – in particular to increase employment of disadvantaged groups such as people with a disability or health condition, lone parents, older workers, or are from ethnic minorities.
- **Developing a skilled and adaptable workforce**  
This priority is to develop a skilled and adaptable workforce by: raising the skills of young people who will enter the workforce; reducing the number of people without basic skills; and increasing the number of workers qualified to levels two, three and four; reducing inequalities in the workforce; and developing managers and workers in small enterprises.

The Regional Skills and Competitiveness Partnership (EESCP) will play a key strategic role in establishing a regional strategy, which will identify how ESF can add value to the Regional Economic Strategy by linking workforce development to sectoral priorities, and ensuring that support for disadvantaged groups is targeted at specific areas or towards groups identified as priorities in Local Area Agreements.

EEDA will ensure close liaison so that RDPE and ESF funding complement each other. RDPE will only consider funding activity which is not covered by ESF activity in the Region.

## Section eight: The Leader approach to delivery

Leader is an approach to the delivery of the Rural Development Programme for England (RDPE) whereby a local partnership plays the key role in both defining local needs and then selecting and overseeing the solutions designed to address them.

Each Leader partnership is structured as a Local Action Group (LAG), which is responsible for developing and implementing a Local Development Strategy (LDS).

The LAG has a number of roles which it will be expected to perform locally to deliver the LDS. Its key roles are to:

- co-ordinate the Leader partnership including holding regular meetings (minimum quarterly), and liaising with all partners on key decisions
- develop the capacity of the partnership to lead a LDS
- provide strategic direction through the development and subsequent annual review of a LDS
- deliver the LDS on behalf of the partnership through stimulating and supporting appropriate projects to deliver the LDS
- establish a panel to consider and select projects to be funded by the LAG
- publicise locally the role of RDPE and Leader in supporting projects.

Acceptance as a Leader partnership is competitive at the regional level. At the time of writing, the outcome of the bidding process has not been announced. Details will be published on [www.eeda.org.uk/rdpe](http://www.eeda.org.uk/rdpe) at the end of May 2008.

Following selection as a Leader partnership, the LAG is responsible locally for the selection, monitoring and reporting of the outcomes of the projects it sponsors.

Leader partnerships will be subject to audit requirements by the EU, Department of Environment, Food and Rural Affairs (Defra) and the East of England Development Agency (EEDA). They must ensure that the individual projects which they select are allowable within the RDPE programme rules. LAGs will have to ensure they have appropriate administrative processes in place to ensure that all funding is correctly accounted for.

The provisional regional Leader budget is a total of around £20 million over the Programme period 2007-2013.

If you have a project idea and are in an area covered by a Local Action Group (LAG), you will need to make contact with your LAG once they are up and running. Contact details for the groups will be published at [www.eeda.org.uk/rdpe](http://www.eeda.org.uk/rdpe)

## Section nine: Data Protection Act

To meet our obligations under the Data Protection Act 1998 we need to explain how we will handle the information you give us.

Because funding projects through RDPE will involve expenditure of public money, there is public interest in how the money is spent. In addition, the EU Regulations require us to make a certain amount of information available about who has received money under the Programme. Therefore Defra may, in certain circumstances, make information about your application and agreement publicly available for this purpose. It will also publish an annual list of all receiving financial support under the programme, which will be available on Defra's website.

We may also need to disclose details about your application and agreement to other organisations or individuals for administration, evaluation or monitoring purposes. Such information may be released upon request under the Environmental Information Regulations 2004 or the Freedom of Information Act 2000.

Details disclosed may include your name, the name of your farm or business, grid references, the total area under agreement, the payment you receive, and the location of the project.

## Section ten: Further information and useful links

### Regional contact details:

#### EEDA

[www.eeda.org.uk](http://www.eeda.org.uk)

To support you in developing your project ideas, please contact one of the RDPE facilitators at the East of England Development Agency (EEDA), The Business Centre, Station Road, Histon, Cambridge CB24 9LQ:

- David Sillett (01223) 202836, mobile (07824) 329580  
Rural Development Manager  
e: [davidsillett@eeda.org.uk](mailto:davidsillett@eeda.org.uk)
- Chris Knock (01223) 484602, mobile (07720) 387367  
Rural Development Manager  
e: [chrisknock@eeda.org.uk](mailto:chrisknock@eeda.org.uk)
- Sara Hind (01223) 202834, mobile (07824) 329581  
Rural Development Manager for Leader.  
e: [sarahind@eeda.org.uk](mailto:sarahind@eeda.org.uk)

Other regional bodies which can help you develop your plans by aligning them with other projects include:

#### Natural England

[www.naturalengland.org.uk](http://www.naturalengland.org.uk)

Natural England leads on the land management, resource protection and public access components of the RDPE. They can help you understand how Axis 2 funding can be linked to your project idea.

For further information please contact:

Natural England, Eastbrook, Shaftesbury Road, Cambridge CB2 2DR

Alex Nichols (01284) 717595, mobile (07900) 226479

#### Forestry Commission

[www.forestry.gov.uk/eastengland](http://www.forestry.gov.uk/eastengland)

The Forestry Commission leads the delivery of the English Woodland Grant Scheme (EWGS) as well as work on public access to forestry and biomass projects within the RDPE. They can help you understand how the EWGS and work on woodfuel and community woodland access could be linked to your project idea.

For further information please contact the Forestry Commission's Regional Development Adviser, Santon Downham, Brandon, Suffolk IP27 0TJ:

Dr Mike Render (01842) 815544

e: [mike.render@forestry.gsi.gov.uk](mailto:mike.render@forestry.gsi.gov.uk)

### **Business Link East**

[www.businesslink.gov.uk](http://www.businesslink.gov.uk)

Business Link East is the new region wide business information, diagnostic and brokerage service established in April 2007. Specifically within the region wide team there is a rural gateway team who would be pleased to help you understand how you can link your project ideas to rural businesses and local providers of business services.

For further information please contact:  
(08457) 171615 or e: [info@businesslinkeast.org.uk](mailto:info@businesslinkeast.org.uk)

### **European Regional Development Fund**

[http://www.gos.gov.uk/goeast/european\\_funding/?a=42496](http://www.gos.gov.uk/goeast/european_funding/?a=42496)

For further information please contact:

Andy Luff (01223) 372699

e: [andy.luff@eeda.org.uk](mailto:andy.luff@eeda.org.uk)

### **European Social Fund**

[www.eescp.org.uk](http://www.eescp.org.uk)

For further information please contact:

Anna Bosworth

e: [annabosworth@eeda.org.uk](mailto:annabosworth@eeda.org.uk)

### **National information about the RDPE and the Leader approach**

Defra has developed a national programme for the RDPE, which was compiled from all the regional plans. This document is currently draft and is with the EU Commission for approval. For a copy of the draft Programme, a useful question and answer document, and links to the Regional Implementation Plans, please go to: <http://www.defra.gov.uk/rural/rdpe/index.htm>

### **Regional documents which you may find helpful in developing your project proposals:**

- The Regional Implementation Plan for RDPE 2007-2013 sets out the key themes and priorities for implementing the RDPE in the East of England [www.eeda.org.uk/rdpe](http://www.eeda.org.uk/rdpe)
- The Regional Economic Strategy sets out the key issues which have been agreed at regional level to guide the development of the economy [www.eeda.org.uk/1441.asp](http://www.eeda.org.uk/1441.asp)
- The East of England Sustainable Development Framework – 2001, this sets out the underlying principles of sustainable development as they apply to the East of England; [www.go-east.gov.uk/goee/docs/193713/193722/Regional\\_Strategy/Regional\\_Sustainable\\_Develop1.pdf](http://www.go-east.gov.uk/goee/docs/193713/193722/Regional_Strategy/Regional_Sustainable_Develop1.pdf)
- The Food and Drink Industry Strategy for the East of England – 2005, established a set of key strategic objectives to support the development of the food and drink sector over the next 20 years; [www.eeda.org.uk/files/food\\_drink.pdf](http://www.eeda.org.uk/files/food_drink.pdf)
- The Sustainable Farming and Food Regional Delivery Plan – 2003, was developed as the region's plan for implementing the government's Sustainable Farming and Food Strategy; [http://www.go-east.gov.uk/goee/docs/193474/193484/Sustainable\\_Farming\\_and\\_Food\\_St1/Delivery\\_Plan\\_for\\_SFFS\\_-\\_fi1.doc](http://www.go-east.gov.uk/goee/docs/193474/193484/Sustainable_Farming_and_Food_St1/Delivery_Plan_for_SFFS_-_fi1.doc)
- The Regional Woodland Strategy – 2003, was designed to provide the focus for investment in woodland in the region; [www.woodlandforlife.net/](http://www.woodlandforlife.net/)
- Natural England Strategic Objectives; [www.naturalengland.org.uk/pdf/about/Natural\\_England\\_Strategic\\_Direction.pdf](http://www.naturalengland.org.uk/pdf/about/Natural_England_Strategic_Direction.pdf)
- Securing the Future (2004): [www.sustainable-development.gov.uk/government/index.htm](http://www.sustainable-development.gov.uk/government/index.htm)

## Appendix A: Example case studies

### 1. Example 1 – Open Application: Fibres for Housing Construction

#### 1.1. Type of area/community targeted by the project

A local supply chain developed by a co-operative of farmers.

#### 1.2. Basic concept

Crop production for the supply of new raw materials for manufacturing is an important new area of wealth creation in the rural economy.

The East of England is a rapidly growing region with ambitious targets for housing. As with other sectors the house building sector is under pressure to develop more sustainable production methods for houses.

Natural fibres from plants can be used to produce high strength, low weight panels and structural materials with good thermal properties which could be used in house building. The development of such materials will require active co-operation between farmers and end users to develop suitable materials and processing facilities.

Projects of this nature could pull together the interests of:

- farmers (new crop and adding value opportunities)
- house builders and small rural manufacturing businesses (new materials)
- sustainable consumption and production (production of industrial materials from sustainable sources)
- rural community (creating new jobs and businesses).

Success would mean a more economically sustainable farm sector as well as less environmental impact from house building in the region.

Importantly as the project would concentrate on knowledge transfer, skills and supply chain development the impacts would be long lasting and sustainable.

#### 1.3. Project outline

The project would bring together a group of end users (house builders) with a farmer co-operative to develop a new market for crop based fibre products.

The programme of investment would include development of crop growing systems to maximise the fibre yield and properties, with capital investment in a processing plant to supply fibre based products to the end users.

It is believed the same processing facility can subsequently be used to produce other fibre based products.

#### **1.4. Project Partners**

The project would be developed by a consortium of commercial businesses which would bid to the RDPE programme for support via open application.

Public sector partners (on a steering group) would include the regional Non Food Crop Project, Buildings Research Establishment and Council building regulation departments.

The project would also build strategic links to house builders in the region.

#### **1.5. Scale and Funding**

The project would run for 3 years and work with 15 farmers over this timespan.

Funding for the project would be 30 per cent from RDPE and 70 per cent from participating farmers.

#### **1.6. Outcomes Delivered and Links to RDPE Regional Implementation Plan (RIP)**

This project can contribute to the following themes in the RIP:

- **Theme 2: New Markets and Products** – via supporting the creation of new markets and products, by:
  - developing new products for a growing market in the region
  - developing a new supply chain to make sustainable products.

Overall the project would thus enhance performance and competitiveness of a group of farm businesses in the region.

- **Theme 3: New Businesses and Enterprises in the Rural Economy** – via broadening the economic base of rural areas, by:
  - developing a new collaborative business in the rural economy.

Overall the project would thus create new jobs and wealth within the rural economy.

#### **1.7. Outputs delivered**

Fifteen farmers developing a new collaborative business to supply fibre based building products.

Project outputs to include new jobs, a processing plant, network of farmer raw material suppliers and market/product development linked to house building.

## 2. Example 2 – Invitation to Tender: Agri-food efficient nutrient inputs

### 2.1. Type of area/community targeted by the project

Arable Farmers and Growers

### 2.2. Basic concept

Nutrient efficiency is a very important issue for the future sustainability and viability of all crop production.

As EU agriculture moves towards completely open borders with the rest of the world, UK agriculture will have to compete on equal terms with the rest of the globe. As the EU has physical constraints (eg small field sizes) and policy constraints (eg strict environmental protection legislation, high labour costs and lacks some new technologies such as GM) competing globally is challenging and arguably calls for a degree of technical efficiency which exceeds other parts of the world.

Nutrient efficiency can also help manage crop growth much more precisely so that crops can be grown for specific markets reducing waste and rejection rates – this allows longer term supply contracts to be developed.

Specific targeting of nutrients at crop growth also reduces the tendency for leaching of nutrients and thus reduces diffuse pollution.

Projects of this nature could pull together the interests of:

- farmers (improved crop management and new economic opportunities)
- environmental sustainability (reduced leaching)
- biodiversity (avoidance of adverse effects in watercourses)
- skills (by creating more highly skilled farmers and employees).

Whilst some farms are technically very good at these issues most are still in need of assistance to more fully understand how to manage nutrients on their farms. Success would mean a more economically sustainable farm sector as well as less environmental impact from agriculture in the region.

Importantly as the project would concentrate on knowledge transfer and skills development the impacts would be long lasting and sustainable.

### 2.3. Project outline

The project would bring together farmer input/buying Co-op(s) with agronomy businesses, demonstration farms, research and development centres and crop customers.

A programme of seminars, crop walks and on farm demo sites across the region would work with local groups of farmers to target year on year increases in nutrient efficiency from both a technical and a cost perspective.

A regional (sponsored) competition could also be included with annual prizes for both absolute technical performance and for those showing the greatest improvement in their on farm performance.

## 2.4. Project Partners

The project would be tendered as there are potentially a range of bodies across the region who could deliver this project.

Tenders would be expected to show how they would involve the industry and bring together business bodies across the sector. Where possible links to crop customers would also be made.

Public sector partners (on a steering group) would include the EA, NE and EEDA to help steer the project and link it to existing linked initiatives such as catchment sensitive farming.

## 2.5. Scale and Funding

The project would run for four years and aim to work with 1,000 farmers over this timespan.

Funding for the project would be 50 per cent from RDPE and 50 per cent from participating farmers, suppliers and other supply chain businesses in cash and in kind.

## 2.6. Outcomes Delivered and Links to RDPE Regional Implementation Plan (RIP)

This project can contribute to the following themes in the RIP:

- **Theme 1: Business Efficiency** – via increasing the efficiency of resource use and adding value to production, by:
  - reducing the costs of fertiliser per tonne of output produced
  - reducing the volume of fertiliser per tonne of output produced
  - reducing the operational costs of applying fertiliser
  - delivering higher quality more consistent crop performance.

Overall the project would thus enhance performance and competitiveness of crop production businesses in the region.

- **Theme 4: Resource Protection** - via reducing the environmental footprint of crop production by better nutrient planning and management, by:
  - lowering levels of leaching
  - reducing losses of nutrients to the atmosphere
  - achieving more stable soil nutrient levels.

Overall the project would thus enhance the protection of soil and water resources in a healthy and sustainable state.

## 2.7. Outputs delivered

1,000 farmers trained in nutrient management over four years.

Project outputs to include a combination of conferences, training events, farm walks, development of farm nutrient plans, benchmarking group, website and reports.

### 3. Example 3 – Commissioning : Woodfuel supply chain development programme

#### 3.1. Type of area/community targeted by the project:

Woodland owners and managers across the region

#### 3.2. Basic concept:

#### 3.3. Woodfuel is currently an under-developed sector, with unmanaged woodland and an excess of annual wood growth over utilisation allied to increased demand for renewable fuels.

As the UK addresses the causes of climate change the utilisation of wood as a fuel needs to increase.

The market on its own, whilst developing, is suffering from a problem of supply network weaknesses reducing the ability of potential wood fuel users to invest in this option.

Larger users need to ensure that before they install woodfuel heating systems that they can access a secure long term fuel supply.

Most woodland ownership is in small blocks and thus whilst the total area of woodland which can produce woodfuel is large, there are few individual businesses which are large enough to justify investment in woodfuel production on their own.

Work is therefore needed to bring together the interests of a diverse range of woodland owners to co-ordinate supplies of woodfuel to give potential end users the confidence to invest in the technology.

Projects of this nature could pull together the interests of:

- landowners (improved management of their woodlands)
- environmental sustainability (improved woodland condition)
- renewable energy users (improved supply of woodfuel)
- entrepreneurship (by creating jobs and businesses in the supply of woodfuel).

The project would concentrate on knowledge transfer and the development of sustainable local supply networks.

#### 3.4. Project outline

The project would bring together landowners with woodland management advice and support from the Forestry Commission, demonstration woodfuel schemes and potential new woodfuel users.

A programme of advice, guidance and events would work with local groups of landowners to develop local networks of woodfuel supply and end users. The project will also support capital investment in shared harvesting and processing equipment.

Local networks would be assisted to access the English Woodland Grant Scheme to help get woodland back into productive management and renewable energy installation grants to help install new woodfuel boilers and burners.

### **3.5. Project Partners**

This project would be commissioned as there is a clear single lead body, the Forestry Commission, which is the government agency charged with delivering a national woodfuel strategy. The Forestry Commission would work with industry bodies and potential larger users of woodfuel (mainly public sector) to develop the whole supply chain. Public sector partners would include NE and EEDA to help steer the project and link it to existing initiatives.

### **3.6. Scale and Funding**

The project would run for six years and aim to work with 600 landowners over this period on up to 20 local area woodfuel supply networks across the region.

Funding for the project would be 50 per cent from RDPE and 50% per cent from participating landowners, suppliers and other supply chain businesses in cash and in kind.

### **3.7. Outcomes Delivered and Links to RDPE Regional Implementation Plan (RIP)**

This project can contribute to the following themes in the RIP:

- **Theme 2 - New Markets and Products** – via developing the markets for, and adding value to, existing forestry products in the region through processing, by:
  - developing local supply networks to co-ordinate the supply of woodfuel from groups of landowners
  - developing the sustainable demand for woodfuel by helping to give confidence to potential users, and by helping them to access grants for woodfuel technology.

Overall the project would thus increase the area of woodland managed for fuel production and the use of renewable energy in the region.

- **Theme 5 – Conservation of the Natural Built and Historic Environment** - via improving the condition of environmental assets which have deteriorated, by:
  - bringing unmanaged woodland back into management to produce woodfuel.

Overall the project would thus enhance the condition of the region's woodland with benefits for biodiversity and the environment.

### **3.8. Outputs delivered**

600 landowners assisted in getting woodland back into use over six years.

Project outputs to include a programme of advice, guidance and events which would lead to the creation of up to 20 local woodfuel supply networks in the region. The project will also support investment in shared processing and harvesting equipment.

## Appendix B: Annex 1 products as defined in the Treaty of Rome

The measure adding value to agricultural and forestry products (Measure 123) states that it is only the processing and marketing of Annex 1 products (listed below) that are eligible for support under RDPE. Fisheries products are not eligible for support. If you are unsure whether your project meets the requirements of the measure, please contact your EEDA facilitator to discuss.

### Annex 1 List - referred to in Article 32 of the Treaty

<b>(1) No in the Brussels nomenclature</b>	<b>(2) Description of products</b>
Chapter 1	Live animals
Chapter 2	Meat and edible meat offal
Chapter 3	Fish, crustaceans and molluscs
Chapter 4	Dairy produce; birds' eggs; natural honey
Chapter 5	
05.04	Guts, bladders and stomachs of animals (other than fish), whole and pieces thereof
05.15	Animal products not elsewhere specified or included; dead animals of Chapter 1 or Chapter 3, unfit for human consumption
Chapter 6	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage
Chapter 7	Edible vegetables and certain roots and tubers
Chapter 8	Edible fruit and nuts; peel of melons or citrus fruit
Chapter 9	Coffee, tea and spices, excluding maté (heading No 0903)
Chapter 10	Cereals
Chapter 11	Products of the milling industry; malt and starches; gluten; inulin
Chapter 12	Oil seeds and oleaginous fruit; miscellaneous grains, seeds and fruit; industrial and medical plants; straw and fodder
Chapter 13	
ex13.03	Pectin
Chapter 15	
15.01	Lard and other rendered pig fat; rendered poultry fat
15.02	Unrendered fats of bovine cattle, sheep or goats; tallow (including "premier jus") produced from those fats
15.03	Lard stearin, oleostearin and tallow stearin; lard oil, oleo-oil and tallow oil, not emulsified or mixed or prepared in any way
15.04	Fats and oil, of fish and marine mammals, whether or not refined
15.07	Fixed vegetable oils, fluid or solid, crude, refined or purified
15.12	Animal or vegetable fats and oils, hydrogenated, whether or not refined, but not further prepared
15.13	Margarine, imitation lard and other prepared edible fats
15.17	Residues resulting from the treatment of fatty substances or animal or vegetable waxes
Chapter 16	Preparations of meat, of fish, of crustaceans or molluscs

Chapter 17	
17.01	Beet sugar and cane sugar, solid
17.02	Other sugars; sugar syrups; artificial honey (whether or not mixed with natural honey); caramel
17.03	Molasses, whether or not decolourised
17.05 <sup>1</sup>	Flavoured or coloured sugars, syrups and molasses, but not including fruit juices containing added sugar in any proportion
Chapter 18	
18.01	Cocoa beans, whole or broken, raw or roasted
18.02	Cocoa shells, husks, skins and waste
Chapter 20	Preparations of vegetables, fruit or other parts of plants
Chapter 22	
22.04	Grape must, in fermentation or with fermentation arrested otherwise than by the addition of alcohol
22.05	Wine of fresh grapes; grape must with fermentation arrested by the addition of alcohol
22.07	Other fermented beverages (for example, cider, perry and mead)
ex22.08 <sup>1</sup>	
ex22.09	<sup>1</sup> 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
ex22.10 <sup>1</sup>	Vinegar and substitutes for vinegar
Chapter 23	Residues and waste from the food industries; prepared animal fodder
Chapter 24	
24.01	Unmanufactured tobacco, tobacco refuse
Chapter 45	
45.01	Natural cork, unworked, crushed, granulated or ground; waste cork
Chapter 54	
54.01	Flax, raw or processed but not spun; flax tow and waste (including pulled or garnetted rags)
Chapter 57	
57.01	True hemp ( <i>Cannabis sativa</i> ), raw or processed but not spun; tow and waste of true hemp (including pulled or garnetted rags or ropes)

<sup>1</sup>Heading added by Article 1 of Regulation No 7a of the Council of the European Economic Community, of 18 December 1959 (OJ 7, 30.1.1961, p. 71 — Special edition (English edition) 1959 to 1962, p. 68).

# Appendix C: Map of the East of England



## Appendix D: Glossary of acronyms

Defra	Department for Environment, Food and Rural Affairs
EA	Environment Agency
EEDA	East of England Development Agency
EU	European Union
FC	Forestry Commission
GO	Government Office
LAG	Local action group
LDS	Local Development Strategy
NE	Natural England
OJEU	Official Journal of the European Union
PQQ	Pre-qualifying questionnaire
RDPE	Rural Development Programme (England)
SME	Small and medium sized enterprise

