



RDPE bioNErgy is a Solutions for Business product

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

The bioNErgy support programme is supported with European Union and Defra funding.



RDPE bioNErgy guidance notes

The Northwoods RDPE Bio-energy Support Programme

Before you get started please contact the project facilitator at the Northwoods office to discuss your proposal. Although this is not compulsory, the project officer can give you an early indication of eligibility and what level of funding you could expect and sign post you to other business support services in the region.

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We have tried to make the process of applying for funding through this programme as simple as possible within the rules laid down under this area of European Commission funding.

If at any time you require further support or information please contact the project facilitator.

What is the Bio-energy Support Programme?

The Bio-energy Support programme (bioNErgy) is a programme of grant intervention for strengthening and developing the emerging bio-energy sector in the North East region.

The programme offers a range of funding opportunities for eligible businesses that wish to undertake eligible activities in developing regional bio-energy supply chains.

The funding comes through the Rural Development Programme for England (RDPE) which the Regional Development Agencies, Natural England and the Forestry Commission are tasked with delivering.

What is the RDPE?

The RDPE is the programme of funding allocated to England from the European Agricultural Fund for Rural Development (EAFRD) and Defra, it will run from 2007 to 2013. The RDPE is split into 4 Axes. Each Axis has a series of measures that set out how the fund will be distributed. The table below sets out the measures from Axis 1 and 3 that the bioNErgy support programme will be drawing funds from.

Who are Northwoods?

Northwoods are a partnership based not for profit woodland initiative set up to provide a range of support services for the bio-energy and forestry sectors in the North East region. You can learn more about our activities at www.northwoods.org.uk . Northwoods are part of the Rural Development Initiatives Ltd

Who is One North East (ONE)?

One NorthEast is the Regional Development Agency (RDA) covering North East England (Northumberland, Tyne & Wear, County Durham, Tees Valley) and was established in 1999. It aims to create a vibrant, self reliant, ambitious and outward looking region promoting the benefits of living, working and doing business in the North East. Its core values are driven by the Regional Economic Strategy (<http://www.onenortheast.co.uk/page/res.cfm>).

One North East is tasked with delivering the socio-economic sections of the RDPE in the North East region.

How do I know if my business is eligible?

The table below that sets out which businesses are eligible for funding through this programme.

How do I know if my idea is eligible?

As with business eligibility, the table below sets out the eligibility of proposed activities.

Generally speaking, if your project involves the development of the virgin biomass supply chain, and you are a micro business, your idea will be eligible. Please check the table below and if you are unsure please contact the project facilitator.

What level of grant aid can I get?

This will vary according to which measure your project is eligible for. Typically you could expect a grant rate of 40%. See the table below for more details or contact the project facilitator.

What is the Application Process?

The first step to take is to fill out an expression of interest form, this will allow the project facilitator to make initial eligibility checks. This form is available on the Northwoods website or by contacting the project facilitator. If your idea is eligible you will be contacted with the relevant application information and to arrange a mentoring meeting (if you think this appropriate). Your application may then take one of three routes, depending on its size.

1. If your project is below a total value of £20,000 the application will go through a fast track decision making process. In addition to an application form other supporting documents are required, this includes proof of match funding, three competitive quotes and product information. Once all of the information is collated the application will go a 'virtual' panel, thus allowing decisions to be made on an ad hoc basis.
2. If your project is above a total value of £20,000 and meets the priorities of the programme the application will go through a fast track decision making process. Due to the increased investment additional supporting documents are required, primarily a business plan and cash flow forecasts, full details will be provided at a later date.
3. If your project is above a total value of £20,000 and does not meet the priorities of the programme the application will go to a panel meeting, which are held on a bi-monthly basis.

The flow chart below describes the stages that you will need to go through in order to apply for funding under the bioNErgy programme.

How much money is available?

The total budget for the bioNErgy programme is £1.1 million. This will be spread over six application rounds during the duration of the programme (please see below for large application deadlines). If a budget is exceeded applications may have to be deferred to the next round.

How long will it take me to get my money?

Large applications will go to a decision making panel on a quarterly basis, which will be held roughly 1 month after application deadlines (giving us chance to ensure all documentation is present). At this point further information and documents may be requested, you will be contacted if this is the case e.g. further financial information. If

successful you will be issued a contract shortly after this date, unsuccessful applicants will also be informed and given feedback. Depending on when you have stated you intend to claim your grant, if you have been awarded one, we will aim to pay your claim within 30 working days on submission of a fully completed claim form. Please be aware that the dates on your claim form must match your application form and business plan. Projects can only commence once you have signed the offer letter/contract.

What match funding can we use?

You will need to provide evidence of where the rest of the funding for the project is coming from, this must be from a private source. Typical sources may be retained business funds, bank loan, funding from investors etc. We will only pay the grant out on hire purchase agreements when the last payment has been made to the finance company and ownership has been transferred.

Can I buy second hand equipment?

Yes, you can as long as you can clearly demonstrate it has a useful working life, is value for money, is fit for purpose and has not received grant aid before. However, you will be responsible for repairs and replacement if required.

What conditions are set if I am awarded a grant?

Conditions will be set at the contract stage of the application process and will vary according to the nature and complexity of your project. They may take the form of evidence of end use contracts if you are setting up a woodfuel supply business or proof of job retention or creation further down the line if this is what you have claimed in your application. The use of successful projects in promotional work will be included in conditions.

Will I need a management plan for my woodland if I am applying for funding for woodland infrastructure?

If the proposal is for improving access to woodlands, a suitable woodland management plan is required in advance of your application. A suitable plan would need to show that there is an understanding of the level of sustainability of the woodland to produce wood products over the long term. Applicants will be encouraged, but is not compulsory, to undertake a comprehensive woodland management planning process and if appropriate to apply for Forestry Commission EWGS woodland management planning support.

Value Added Tax

If your business is VAT registered, or will register in the next three years, you cannot claim VAT in your application. Items of project expenditure need to be claimed against exclusive of VAT. If your business is not VAT registered then VAT should be included in items of project expenditure and can be claimed against. You will be required to complete a VAT statement during the application stage.

Priorities for Investment

It is important that your proposal contributes to key investment priorities at both regional and local levels. For instance how does the project contribute to the achievement of the North East Implementation Plan (NEIP) for the RDPE? (<http://www.onenortheast.co.uk/page/rural/rdpe.cfm>)

More specifically, how will your proposal help to achieve the principal outcome targets of the Bioenergy support programme. These are set out below.

By the close of the bioENERgy support programme we want to have achieved the following principal outcomes:

- A network of sub regional biomass processing and storage hubs appropriately spread throughout the North East relating to key areas of supply and demand
- An increase in collaborative projects and businesses throughout the woodfuel supply chain
- A developed woodfuel supply chain that maximises the use of locally sourced fuel for wood heat installations throughout the North East

Applications that clearly contribute towards achieving these outcomes will be prioritised accordingly, however all applications meeting the eligibility criteria as set out in the guidance notes and against individual RDPE measures, will be given full consideration.

Planning permission

If your project requires planning permission evidence that it has been obtained must be supplied before any contract can be offered. Please also be aware that you may be required to prove that your project does not require permission upon request from the project facilitator.

Publicity

If you are awarded a grant you will be asked to make reference to the bioNErgy support programme, and the relevant funding bodies, at your place of business, in the form of a sign or plaque; further details will be outlined at the contract stage. Your project will also be used in publicity materials.

Data Protection

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

Because the bioNErgy programme 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 Rural Development 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 a Government 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, and the payment you receive.

Application Process Flow Chart

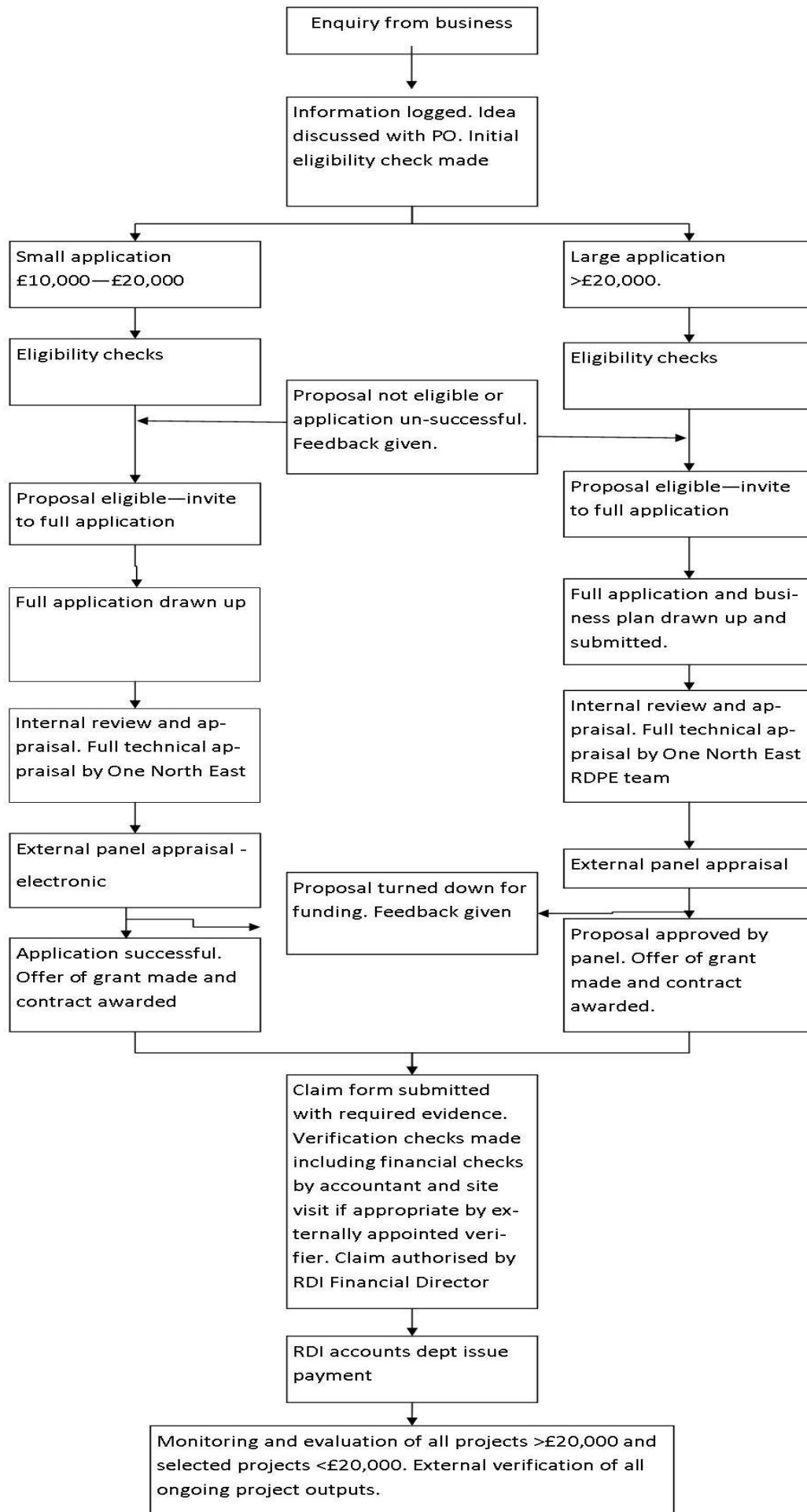


Table of Eligibility of Business, Costs, Activities and Intervention rate per measure

Measure	Objectives of the Measure	Eligible beneficiaries	Eligible costs	Example Eligible activity	% grant intervention rate
<p>123 Adding value to agricultural and forestry products</p>	<p>The objective of the measure is to improve the processing and marketing of primary agricultural and forestry products through investment in improved efficiency, renewable energy, new technologies and new market opportunities, and to improve the overall performance of the enterprise.</p>	<p>Eligibility will be limited to micro-enterprises *please see definition below</p>	<p>Eligible costs will include:</p> <ul style="list-style-type: none"> • 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. 	<p>The following activities will be eligible for support under this measure:</p> <ul style="list-style-type: none"> • processing and marketing of forestry products, especially for woodfuel; • development of new products, processes and technologies for forestry products. <p>In the case of support for investments for adding value to forestry products, investments related to the use of wood as a raw material shall be limited to all working operations prior to industrial processing, including, for example, dismembering, stripping, and cutting up.</p>	<p>40</p>
<p>124 Cooperation for development of new products, processes and technologies</p>	<p>The objective of this measure in forestry terms is to promote cooperation between producers and processors to develop innovative uses for forest biomass and energy crop biomass products, this will in turn lead to management of woodlands and</p>	<p>Eligible beneficiaries under this measure are:</p> <ul style="list-style-type: none"> • primary producers in agriculture and forestry, the processing industry and/or third parties (no limitation in size); • partners involved in the cooperation projects; <p>Primary producers must always be involved in the cooperation.</p> <p>Support under the measure will be</p>	<p>The following will be considered to be eligible costs:</p> <ul style="list-style-type: none"> • 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. 	<p>As required under Article 29(2) of the Regulation, such support shall contribute to cover costs incurred for the cooperation. There will be no distinction in the priority given to cooperation projects involving new products, new processes or new technologies. The collaboration will be between two or more producers, processors or other enterprises. A specific example could be the design, development and testing of purpose built biomass energy crop planting</p>	<p>35</p>

diversified land use which protects their public interest and enhances public benefits.

available to all sectors of the agriculture, forestry and food industries. Potential partners in cooperation include forestry enterprises, raw materials processors, manufacturers and distributors of inputs, trade associations, levy boards and research establishments.

and harvesting machinery.

125 This objective of this Infrastructure measure in forestry related to the development and adaptation of agriculture and forestry will be to provide support for investments in infrastructure related to the development and adaptation of forestry.

Eligible beneficiaries shall be farm and forestry businesses

Eligible costs shall be:

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

Support under this measure may cover operations related to (non-exhaustive list):

- construction or improvement of access roads and tracks to farm and forest land;
- improvement or restoration of bodies of water that will contribute to the economic viability of the wood or farm

Up to 80 (usually 40)

312 Support for the creation and development of micro-enterprises with a view to promoting entrepreneurship and creating employment opportunities. Given the high proportion of micro-enterprises among rural businesses, a key objective of the measure will be support for achieving the growth aspirations of small rural businesses.

Eligible beneficiaries under this measure are existing micro-enterprises as defined in the Commission Recommendation 2003/361/EC40; or persons wishing to set up a new micro-enterprise.

The following costs will be eligible for support under this measure:

- 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 support to help new businesses and social enterprises become established and to help existing businesses and social enterprises to consolidate and expand.

This measure will provide support to existing micro-enterprises or to persons wishing to set up a new micro-enterprise. While a definitive list of such activities cannot be provided, activities that might be supported include:

- retailing, manufacturing or service industries, including self-made products,
- 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);**

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Business Size (SME) Definition

The table below is reproduced from the European Commission's user guide for the new SME definition.

Enterprise Category	Headcount	Turnover	or	Balance sheet total
Medium sized	< 250	≤ € 50 million		≤ € 43 million
Small	< 50	≤ € 10 million		≤ € 10 million
Micro	< 10	≤ € 2 million		≤ € 2 million

Rural Payments Agency Vendor Number

All successful applicants are required to register with the Rural Payments Agency (RPA) to obtain a vendor number, to allow any payment through the RDPE. The appropriate form can be obtained from the project facilitator and is to be sent straight to the RPA.

Complaints Procedure

If at any time you feel you have been unfairly treated in the application process or aggrieved by a decision that has been made on your project, please contact:

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