

European Innovation Partnership (EIP)

Agricultural Productivity and Sustainability

Scheme Brochure

**Part of the Farm Business Improvement Scheme, funded under
the Rural Development Programme 2014 - 2020**

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INTRODUCTION

1. This scheme brochure explains the purpose of the European Innovation Partnerships (EIP) scheme for Agricultural Productivity and Sustainability and how a pilot scheme will operate in Northern Ireland. It provides an overview of how the scheme will operate.
2. The EIP scheme is part of the Northern Ireland Rural Development Programme (NIRDP) which was formally approved by the European Commission on 25 August 2015. It is jointly funded by the European Agricultural Fund for Rural Development (EAFRD) and the Department of Agriculture, Environment and Rural Affairs (DAERA). The specific statutory rules for the operation of the NIRDP are set out in the Rural Development Programme Regulations (Northern Ireland) 2015 (N^o 326).
3. The College of Agriculture, Food and Rural Enterprise (CAFRE) is responsible for the delivery of a pilot EIP scheme and will use the pilot to test how well the EIP approach encourages innovation on Northern Ireland's farms. This pilot scheme will help with the design of future schemes in Northern Ireland.

The capital funding element of the pilot EIP scheme will be managed and administered by the Pillar 2 Farm Business Improvement Scheme Capital Team, DAERA.

4. European Innovation Partnerships are an EU wide initiative with schemes in other parts of the United Kingdom and in many European countries. While there are similarities between EIP schemes in different regions, each region and country has developed schemes to address local needs and priorities. All EIP schemes have a common purpose of encouraging innovation on farms by focusing expertise, learning from others outside of the region and supporting pilot projects. They bring together key players (for example, advisers, researchers and supply chain businesses) to work in partnership with farmers to find solutions to address specific issues or to develop concrete opportunities for the agri-food industry.

5. An important aspect of the EIP approach is the sharing of findings both at a local and European level. To support regional EIPs, the European Commission runs the EIP-Agri network through the EIP-Agri Service Point. The Service Point offers a range of tools and services which can help develop ideas and projects and those who are awarded funding to deliver a pilot project will have to register with the EIP-Agri website. The Service Point also helps improve communication and sharing of ideas through:
- Conferences
 - Focus Groups
 - Workshops
 - Publications (like 'Agrinnovation' the annual European Commission published AGRI magazine)

WHAT FUNDING IS AVAILABLE?

6. In Northern Ireland funding will be available for:
- Establishment of an EIP Operational Group (Stage 1).* This funding is designed to bring expertise together to consider how practical solutions might be developed to address a particular problem or opportunity facing farmers. Funding will help each group to appoint an Innovation Broker who will facilitate this process and help the group develop an action plan.

Funding will be awarded for to up to ten Operational Groups at this stage.

Operational Groups are strongly advised to collaborate using electronic means to minimise the potential for the spread of COVID-19 (Coronavirus).

- Operation of an EIP Operational Group (Stage 2).* This funding is designed to assist Operational Groups deliver the action plan developed at Stage 1. Funding will be awarded for to up to three Operational Groups at this stage.

iii) Capital expenditure associated with the delivery of the action plan. Capital funding is also available to Operational Groups to support the implementation of the action plan.

Capital funding is only available to groups who have been awarded Stage 2 funding and have identified the need for capital in their action plan.

HOW MUCH FUNDING IS AVAILABLE?

7. At stage 1, *Establishment of an EIP Operational Group*, a lump sum¹ grant of £4987.75 is available. This lump sum becomes payable once the EIP Operational Group submits a stage 2 application. At stage 2, *Operation of an EIP Operational Group*, a grant of up to £120,000 is available at a grant rate of 100%. There is also £30,000 of grant available for capital expenditure at a grant rate of 50%. This means £60,000 of eligible expenditure would need to be made to draw down all of the capital grant available.

A lump sum¹ is being used at stage 1 to reduce the administrative burden on new Operational Groups. The lump sum is paid irrespective of the actual expenditure incurred and will be paid provided a full and complete stage 2 application is made and all the conditions in the stage 1 Letter of Offer are met. This means that the Operational Group will need to be able to pay any fees and expenses upfront in advance of receiving the lump sum. If the Operational Group decides not to progress to a full stage 2 application a lower lump sum of £2000 may be paid, provided the Operational Group presents a report which details their investigations and explains why a Stage 2 application is not being progressed.

HOW WILL FUNDING BE AWARDED?

8. CAFRE will open a call for stage 1, *Establishment of an EIP Operational Group*, on Monday 30 March 2020 and this will close at 4pm on Monday 27 April 2020.

Applications that meet the selection criteria will be issued with a Letter of Offer.

Only those groups who receive a stage 1 letter of offer can complete a stage 2 *Operation of an EIP Operational Group* application which must be submitted to the Department by 4pm on Friday 28 August 2020.

Stage 2 applications will be assessed by a selection panel. Their assessment will be based on the information provided in the application form and an interview with representatives of the EIP Operational Group. Following this process CAFRE will award stage 2 funding to up to three Operational Groups through a Letter of Offer.

Separate booklets have been prepared which provide a detailed explanation of:

- the application process, selection criteria and assessment process for stage 1 and 2 – *European Innovation Partnership (EIP) – Guidance Notes for Applications*. This booklet is available on the CAFRE website.
- the capital element of the programme including details of the Business plan that has to be completed for the proposed expenditure and how the plan will be evaluated. This booklet will be made available to Operational Groups who are awarded funding at stage 1.

WHO CAN APPLY?

9. At stage 1, *Establishment of an EIP Operational Group*, applications must be made by a collaboration of at least two people from different organisations based in Northern Ireland. One of those applying must be from a business with Category 1 DAERA Business Identification Number.

At stage 2, *Operation of an EIP Operational Group*, the application must include those who made the stage 1 application but additional members can be included at this stage. Members from outside Northern Ireland should only be considered if the expertise is not available from within Northern Ireland. Stage 2 applications must include a partnership agreement to show how the Operational Group will function.

An application for Capital funding can be made by *Operational Groups* who have been awarded a Stage 2 Letter of Offer. The application must be submitted by a group member that holds a Category 1 DAERA Business Identification Number.

WHO IS THE LEAD APPLICANT?

10. Applications must identify a lead applicant – this can either be:
- An individual acting as the 'lead applicant' for the Operational Group; or
 - A registered business acting as a 'lead applicant' for the group.

The lead applicant must be linked to a business which has a Category 1 or Category 2 DAERA Business Identification Number. If the lead applicant does not have a Category 1 or 2 Business Number, they should apply for one and note this in their Stage 1 application. More information on DAERA Business numbers is available [here](#) and an application form for Category 2 Business Numbers is available [here](#).

The lead applicant is the person or the business who represents the Operational Group and is the main point of contact with the Department of Agriculture, Environment and Rural Affairs. They are responsible for ensuring the scheme operates within the scheme rules and the terms and conditions of any grant offer. However, if the Department determines that the grant aid has not been used in accordance with the scheme rules or the terms and conditions of any grant award, the lead applicant and the other members of the Operational Group may be legally liable for the payment of any penalties or repayment of any grant aid given.

WHO CANNOT BE THE LEAD APPLICANT?

11. The following cannot be the lead applicant when applying for funding under the pilot EIP scheme:
- Government Departments;
 - Entities funded wholly or partly by public money such as Non-Departmental Public bodies, unless they can separately account for expenditure under the EIP pilot scheme.

HOW IS FUNDING CLAIMED?

12. The lead applicant can claim Grant Aid retrospectively, no advance payments will be made. The lead applicant will therefore need to state that they or their organisation has the capacity to make payments on behalf of the Operational Group until grant aid is received.

For stage 1, the lump sum will only become payable provided a full complete stage 2 application is made and all the conditions in the stage 1 Letter of Offer are met.

For stage 2, claim forms and guidance notes will be issued following the award of grant aid. These will explain how eligible costs can be claimed for provided supporting receipts and/or supporting documentary evidence is provided.

For EIP Capital Funding, claim forms and guidance notes will be issued following the award of grant aid.

All claims will be paid into the bank account nominated by the lead applicant.

WHAT IS ELIGIBLE?

13. At stage 2, *Operation of an EIP Operational Group*, the following costs are eligible:

- Area studies – for example, this may include measurements and analysis on a group of farms to quantify a particular problem.
- Feasibility studies – for example, to determine if a proposed plan of action is technically feasible.
- Business plans – for example, to support an application for capital funding.
- Market exploration – for example, to determine the market potential of an opportunity the Operational Group is considering.
- Running costs of cooperation – for example costs of a co-ordinator or Innovation Broker, costs of administration, travel expenses and meeting rooms.
- Training and mentoring required to implement the project including study tours (this would be subject to any COVID-19 restrictions at the time of the planned visit).
- Information management tools – for example this may include computer software or services.
- Promotional activities relating to the promotion of the group and not the product, such as activities to attract membership or the dissemination of group activities.

CAFRE must approve each item of expenditure and will confirm that it is eligible to be reclaimed.

Under the capital element of the programme, the following costs are eligible:

- The purchase or lease-purchase of new machinery and equipment, including computer software necessary for its operation or management, up to the market value of the asset and directly related to the implementation of the approved EIP project plan.
- Capital grant is awarded at a rate of 50% up to a maximum grant of £30,000 per group.

WHAT IS NOT ELIGIBLE?

14. All Stage 2 expenditure must link to the list of eligible expenditure. While not definitive the following expenditure items are **NOT** eligible for grant aid:

- Salary costs of members of the Operational Group
- Research and Development
- Existing Innovation Projects
- Standard agricultural inputs like seed, fertiliser, chemicals, semen etc
- The costs of getting any compulsory consents – for example planning permission
- Financial charges for example bank charges or interest.
- The costs associated with Operational Group Members' own time.
- Any costs which were incurred before the Letter of Offer has been accepted and acknowledged.
- Reclaimable VAT.
- Any item for which the applicant already has or intends to receive EU or national funding.
- Projects which are required by law to meet a legal obligation.

Under the capital element of the programme, the following costs are **NOT** eligible:

- The construction, acquisition, including through leasing, or improvement of immovable property.
- Costs connected with the leasing contract, such as lessor's margin, interest refinancing costs, overheads and insurance charges.
- In the case of agricultural investments, the purchase of agricultural production rights, payment entitlements, animals, annual plants and their planting.
- Investments which are likely to have an unacceptable negative effect on the environment.
- Holdings or enterprises in difficulty within the meaning of the Union guidelines for state aid in the agriculture and forestry sector and the Union guidelines on State aid for rescuing and restructuring firms in difficulty.
(Current article: Commission Regulation (EC) No 1974/2006)

- Replacement investments and maintenance.
- Purchase and installation of renewable energy technologies.
- Interest on debt.
- The purchase of land.
- Value added tax except where it is non-recoverable under national VAT legislation.

WHEN MUST PROJECTS BE COMPLETED?

15. All expenditure associated with the Operational Groups action plan must be completed by 30 June 2023 at the latest with all claims submitted by 30 September 2023 at the latest. Any work undertaken after with period will be at the Operational Group's own expense.

Under the Capital element of the programme all expenditure must be completed within the timeframes (up to 24 months) stated in the Letter of Offer. Invoices dated or payments made outside this timeframe will not be eligible for grant. All financial claims must be completed by 30 June 2023.

HOW MUST STAFF, GOODS AND SERVICES BE PROCURED?

16. Costs for or associated with an Innovation Broker or a Project Co-ordinator must be paid and reimbursed at a flat rate of £339 per day based on a 7.5 hour day. The cost of other support staff directly employed on the project is eligible for funding provided it can be shown such costs are in line with wider published costs for salary costs. This can include: staff salaries, employers' National Insurance Contributions and statutory pension contributions.

Costs associated with travel and subsistence must be reimbursed at Northern Ireland Civil Service rates. Details of these will be provided following the issue of a Stage 2 Letter of Offer.

The purchase of all other goods and services must comply with the procurement conditions set out in the Letter of Offer.

HOW DO WE APPLY?

17. At stage 1 applicants must apply using an online application form which is accessed through www.cafre.ac.uk. Applications will open on Monday 30 March 2020 and will close at 4pm on Monday 27 April 2020.

Those groups who have been successful in gaining stage 1 funding will be sent a link to the online application for stage 2. Applications for stage 2 will close at 4pm on Friday 28 August 2020.

Groups in receipt of a stage 2 letter of offer will be eligible to apply for capital funding. The application process will involve the completion of a business plan for the capital items outlined in the stage 2 application. The applicants will also have to complete a Farm Safety '**Making it Safer Self-Assessment**'.

Applications from eligible groups for EIP capital must be submitted by Friday 13 November 2020.

WHAT WILL BE EXPECTED OF GROUPS WHO RECEIVE FUNDING?

18. It is a condition of any grant awarded through EIP schemes that all results and findings of the project are made available for the use of others. This includes the publication of details of the work on the EIP-Agri website. Those groups who receive funding at stage 2 will be required to register on the EIP website so they can publish the details and outcomes of their project.

As well as this requirement to publish findings on the EIP website, Operational Groups will be expected to disseminate their findings to the local Agri-Food industry, even for projects which do not achieve the expected results or outcomes. The Operational Groups plans for dissemination will be assessed as part of the Stage 2 application process.

HOW WILL THE SCHEME BE MONITORED?

19. Those Operational Groups who are successful in achieving Stage 2 funding will be monitored on a monthly basis by the CAFRE Contract Manager. Progress will be monitored in relation to the action plan submitted in the Stage 2 application form. There is a recognition that innovation, by its nature, carries increased risk and uncertainties and therefore the action plan may need to be amended as the project progresses. The monitoring meeting will provide the opportunity to consider what changes may need to take place before formal submission to the CAFRE Contract Manager.

These meetings will also provide a forum to raise and resolve issues by both the Operational Group and CAFRE.

WHERE DO WE FIND MORE INFORMATION?

20. Applicants can visit the EIP-Agri website at ec.europa.eu/eip/agriculture/ to find out more about other Operational Groups and their projects.

The CAFRE EIP Scheme Administrator can also be contacted about the application process:

Name: Russell Forster
e-mail: EIP.Admin@daera-ni.gov.uk
Telephone: 078 8006 7941

The CAFRE Contract Manager may also be able to link applicants to other people in CAFRE who can provide technical support. The contact details of the Contract Manager are:

Name: Nigel Murphy
e-mail: EIP.Admin@daera-ni.gov.uk
Telephone: 028 9442 6814 or 077 1773 2364