

Biomass Processing Challenge Fund



Information Brochure

Project part financed by the European Regional Development Fund
under the European Sustainable Competitiveness Programme for
Northern Ireland



Department of
**Agriculture and
Rural Development**

www.dardni.gov.uk

AN ROINN

**Talmhaíochta agus
Forbartha Tuaithe**

MÁNNYSTRIE O

**Fairms an
Kintra Fordèrin**



Please read this Brochure carefully before completing the Application form.

Copies of this document can be made available, on request, in alternative formats e.g. in large print, Braille, disc, audiocassette (for those with vision difficulties) and other languages.

If you require any assistance, please contact:

**Department of Agriculture and Rural Development
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Room 654
Dundonald House
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Belfast
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SECTION 1 – INTRODUCTION

- 1.1. This brochure is a guide to the Biomass Processing Challenge Fund (BPCF). The information contained within this brochure will help you understand the conditions of the scheme and to prepare and submit an application.
- 1.2. This Fund is managed under the European Sustainable Competitiveness Programme for Northern Ireland 2007-2013. It is open to applicants throughout Northern Ireland. The Scheme is part financed by the European Regional Development Fund (ERDF) under Priority 3 – Improving the Accessibility and Enhancing the Environment. Further information on the European Sustainable Competitiveness Programme can be obtained from Climate Change and Renewable Energy Branch, DARD or via the DETI website at <http://www.deti.gov.uk/euro-prog-pubs-6>
- 1.3. The purpose of the Fund is to support the purchase of a range of technologies and approaches that improve business efficiency and environmental sustainability at farm level, utilising cost effective and sustainable methods of processing agricultural wastes and other appropriate biomass material to generate renewable energy primarily for agricultural purposes.
- 1.4. Under the Fund financial support will be made available to support specified capital and installation costs. A grant rate of up to 40% of eligible costs, to a maximum of €400,000 per project may be paid. The sterling rate will be calculated on the day that a Letter of Offer issues as dictated by the European Commission¹ in the month the letter of offer is issued. To comply with State Aid regulations grant rate may have to be adjusted downward to take into account the value of the Northern Ireland Renewable Obligation Certificates in the case of electricity generation.
- 1.5. The Fund is operated on a competitive basis and all applications will be assessed against set criteria. The Department is not obliged to accept all or any applications.
- 1.6. The Department will open and close the Fund to applications as it sees fit. Applications will only be accepted while the Fund remains open.
- 1.7. The application form and this Information Brochure are available to download from www.dardni.gov.uk/index/grants-and-funding/biomass-processing-challenge-fund.htm. Application forms are also available on request from Climate Change and Renewable Energy Branch, Room 654, Dundonald House, Upper Newtownards Road, Belfast, BT4 3SB

¹http://ec.europa.eu/budget/inforeuro/index.cfm?fuseaction=currency_historique¤cy=GBP&Language=en

Phone number 028 90525493. Applicants should not commit themselves to any expenditure on which grant may be sought until their application has been approved by DARD and a Letter of Offer has been issued, signed and returned to DARD.

SECTION 2 – ELIGIBILITY

2. Aims and Objectives of the Fund

- 2.1. The aim of this Fund is to encourage agricultural and forestry businesses to install small scale biomass fuelled renewable energy capacity, primarily to aid agricultural activities within the farm or forest business by supporting the purchase of a range of technologies and approaches that improve business efficiency and environmental sustainability, utilising cost effective and sustainable methods of processing agricultural wastes and other appropriate biomass material to generate renewable energy.

This Fund addresses Priority 3 of the Environment and Regional Development Fund:

‘Improving Accessibility and Protecting and Enhancing the Environment’

Eligibility - Mandatory Requirements

- 2.2 To satisfy the eligibility criteria the project must meet the following mandatory requirements outlined in paragraphs 2.3 to 2.27 below.

Geographical Coverage

- 2.3. All projects must be physically installed in Northern Ireland and apply in Northern Ireland.

Application to the Fund

- 2.4. All applicants to the Fund must submit proposals on the correct application form and include supporting documents as requested in the application process, which is described in detail in Section 3 of this brochure.
- 2.5 The application must be received by the deadline as stated in the call for applications.

Who Can Apply

- 2.6. The Fund is open to applicants from small² and medium³ sized enterprises (farms) or groups of producers who own/occupy such holdings where at least one member has responsibility for the control of farming of the land on which the project is based.

² A “small” enterprise is an enterprise which:-

Has fewer than 50 employees; and has either an annual turnover not exceeding €10 million or an annual balance sheet not exceeding €10 million.

³ A “medium” enterprise is an enterprise which:-

Has fewer than 250 employees; and has either an annual turnover not exceeding €50 million or an annual balance not exceeding €43 million.

- 2.7. Applicants must have a “Business DARD ID⁴” number to allow for financial assistance under the scheme. For the purposes of this scheme an applicant (where applicable) may use their existing DARD Business ID number.
- 2.8. Applicants must demonstrate that the agricultural business is economically sustainable in the long term taking into account all sources of income available to the owner and his/her spouse.
- 2.9. Groups of producers may come together through a collective agreement to apply. Groups proposing to operate through a collaborative agreement or joint venture may be considered where proposals show that a number of individual farm businesses have come together to invest in the proposed project. One person within the producer group must hold a business DARD ID number and own the land on which it is intended to install the proposed project. Applicants must be able to demonstrate that the project benefits primary producers from the agricultural, horticultural or forestry sectors. All consortia must be contractually bound.
- 2.10 In the case of a co-operative, evidence must be provided to demonstrate the ability of the co-operative to remain economically sustainable, taking into account all sources of income from all members of the co-operative. If requested by the Department, applicants must provide a professional assessment of economic viability.
- 2.11 All payments of grant will be made directly to the bank account associated with the DARD ID business number stipulated in the application.
- 2.12 Applicants must demonstrate adequate agricultural skills and competence. They must confirm that they have at least five years full or part-time farm management experience or list and provide evidence of their relevant agricultural qualifications as proof of competence.

.State Aid Regulations

- 2.13 To comply with State Aid Regulations applicants must demonstrate that projects comply with the following EU objective:
‘To preserve and improve the natural environment, or improve hygiene conditions or animal welfare standards.’
- 2.14 Applicants must demonstrate that biomass fuelled renewable energy technology will generate energy primarily for an agricultural related activity.

⁴ DARD Business ID numbers can be obtained from a Local DARD Office. DARD Business ID numbers take the form of a six digit number.

Sustainable Development

2.15 For the purpose of this programme projects must demonstrate how they meet at least **two** of the following sustainable development objectives:

- Improvement of business efficiency through the production of renewable energy from biomass at farm level.
- Cost effective and sustainable methods of processing agricultural wastes and other agricultural biomass materials to generate energy production on farm.
- Enhancing the scope of existing farming activities by the processing of biomass into renewable energy and other added value products.
- Environmental improvement through the generation of renewable energy and a reduction in fossil fuel use.

Equality of Opportunity

2.16 For the purpose of this programme projects **must** demonstrate how they adequately and clearly address equality of opportunity issues as follows;

- Between persons of different religious beliefs, political opinion, racial group, age, marital status, or sexual orientation;
- Between men and women generally
- Between persons with a disability and the without and
- Between persons with dependants and persons without

Applicants must demonstrate, for example:

Links with any target group

Does the proposed project directly or indirectly affect any of the target groups

Identification of any barriers to the target groups and how they might be overcome.

Eligible Activities

2.17. The majority of the energy produced by the installation must be used to carry out or directly support agricultural activities on farm. Applicants will be required to demonstrate this, by for example – providing meter readings of power consumed and/or details of the amount of fuel purchased over a given timeframe.

2.18. To avoid waste, any secondary products produced, which can not be used to support agricultural activities may be sold to third parties.

Eligible Technologies.

2.19. Applicants must be able to demonstrate that the project technology benefits primary producers from the land based sector. Examples of renewable energy technologies that will be considered for grant aid, include

- Heat boilers over 30kW thermal output fuelled by eligible sustainable biomass.
 - Combined heat and power (CHP) systems fuelled by eligible sustainable biomass.
 - Anaerobic digestion systems or similar fuelled by eligible sustainable biomass.
 - Other proven technologies which utilise biomass primarily for the generation of heat and /or electricity.
- 2.20. All projects must comply with national and EU legislation on the environment (including demonstrating compliance with Planning Service requirements and building control regulations). Where necessary projects will be required to provide written evidence of the appropriate planning approvals and permission in place before a project will be considered for an award of grant. Evidence of compliance with regulations and other relevant consents must be provided at the appropriate stages of the project.
- 2.21. If installing a micro biomass fuelled renewable energy system (defined as having up to 50kW of electricity generating capacity or 45kW of heat generating capacity) the product and the installer must be accredited under the Microgeneration Certification Scheme (MCS)⁵ or have been registered with the Installer Academy.
- 2.22 For installations where an accreditation scheme has not yet been established more than one quote must be obtained preferably from a recognized and experienced supplier.
- 2.23 All combined heat and power installations must meet the criteria as set out in the CHP Quality Assurance (CHPQA) Programme.

Eligible Biomass

- 2.24. All projects must use sustainably sourced agricultural and forestry biomass materials. For the purposes of this Fund eligible biomass includes:
- Purpose grown energy crops (e.g. miscanthus, short rotation coppice willow and short rotation forestry);
 - Clean wood fuel derived from any part of a tree as a result of forestry operations, arboricultural/horticultural tree management operations, and primary processing including saw milling;
 - Wood waste or residues such as clean recycled wood; provided it is not covered by the Waste Incineration Directive as seen in treated timber or refuse derived fuel;
 - Agricultural residues originating from production, harvesting and storage (for example; straw or husks, animal manures and

⁵ MCS is an independent scheme that certifies microgeneration products and installers in accordance with consistent standards.

slurries, poultry litter and biomass material from excess production or insufficient market, such as silage);

- Grasses, cereal and maize silage

Other sustainable biomass not listed may be considered.

Ineligible Activities and Technologies

2.25. The Fund does **not** support the following activities

- Heat boilers under 30kw thermal output.
- Installations whose primary purpose is the disposal of waste; we interpret this as when the revenue to the project, or avoided costs, for the disposal of wastes exceeds the value of the energy produced.
- Installations that are or should be subject to the Waste Incineration Directive.
- Activities related to planting, and growing biomass.
- Activities related to equipment for harvesting biomass.
- Activities not focused on bioenergy primarily for on farm use.
- Infrastructure for drying biomass, such as drying sheds.
- Installations that provide electricity primarily for the grid.
- Installations fuelled by biodiesel or bioethanol.
- Installations related to the production of biodiesel or bioethanol.
- Activities relating to the manufacture of renewable energy equipment.

Eligible Expenditure

2.26. For the purpose of this Fund eligible expenditure in accordance with Article 4.4 of the Commission Regulation 1857/2006 will comprise of:

- Only costs incurred after the date of acceptance of the offer of grant;
- Cost of capital equipment, installation and commissioning necessary for the proposed project;
- For CHP projects, e.g. fuel storage, preparation and feeding equipment, air pollution control equipment and stack and heat monitoring equipment.
- For heat projects, e.g. boiler or appliance, and immediately associated fuel storage and feeding equipment, air pollution control equipment and stack and heat monitoring equipment.
- Costs for construction, e.g.
 - boiler support structures
 - storage tanks
 - AD tanks and associated equipment
 - CHP units
 - Structures used solely for the fuel storage immediately associated with the energy installation
 - Excavations for fuel storage
 - Foundations and mounting pads for equipment
- In retrofit applications where one central biomass boiler will replace several smaller oil or gas boilers, insulated pipework with associated calorifiers, pumps and controls to connect to the heat load will be eligible – but not heating systems within

buildings i.e. radiators etc as these should already be in place and are not biomass specific. Pipework to connect from the boiler equipment to the current heating system is eligible.

- Remedial work on building fabric will be eligible only to the extent necessary to make good after equipment installation. It is the responsibility of the applicant to ensure that all works comply with the relevant standards and health and safety regulations.
- Evidence of compliance with all relevant regulations and consents must be provided at the appropriate stages of the project.
- Quantifiable and reasonable own labour costs, including agreed overheads, but not profit, for construction, commissioning, and project management. These costs should be directly linked to the design, construction, commissioning and evaluation of equipment contained in the project and must be auditable. In the context “own costs” include applicants own costs and eligible costs incurred by cooperative members and eligible costs incurred by companies connected to any of these.

Ineligible Expenditure

2.27. The following costs are **not** eligible for grant support.

- Research & Development
- Feasibility studies or Business cases.
- Business start up or development.
- All costs associated with progressing applications for planning or other consents.
- Purchase cost of any land on which the project is built.
- Second hand-equipment
- Input VAT (except where it cannot be reclaimed by grantees).
- Interest charges, bad debts.
- Hire purchase interest and any associated service charges.
- Loan repayments.
- Mark up and profits.
- Profit earned by a subsidiary or by an associate undertaking work subcontracted under the project.
- Notional costs (e.g. opportunity costs).
- Audit fee for certification of claims by an independent accountant.
- Grants that contribute directly to a Company’s distributed profits.
- Endowments.
- Funds to build up a reserve or surplus.
- Retrospective funding.
- Any costs that are already being funded or have been applied for under another public/EU grant application
- Advertising, marketing, sales activities, entertaining.
- All costs associated with the operation of the equipment following commissioning or acceptance by the ultimate owner.
- Support for the manufacturing of equipment
- In retrofit projects heating systems already in buildings ie radiators etc.

It is the responsibility of the applicant to ensure that any structure associated with all grant aided items complies with the relevant standards and if appropriate expert advice should be sought by the applicant from structural engineers, relevant organisations and specific persons. **Any failure related to these items is not the responsibility of the Department.**

SECTION 3 -THE APPLICATION PROCESS

This section explains the application process.

Getting the application form

- 3.1. The application form and this Information Brochure are available to download from www.dardni.gov.uk.
- 3.2. Applicants who do not have access to the internet may request a paper version of the application form to complete in writing by contacting Climate Change and Renewable Energy Branch, DARD, Room 654, Dundonald House, upper Newtownards Road, Belfast, BT4 3SB or Telephone 028 90525493.
- 3.3. Applications will only be accepted while the Fund remains open. Opening and closing of the Fund will be advertised via press release and on the DARD website.

Completing the application form

- 3.4. The form asks for summary information with the detail to be supplied as appendices.
- 3.5. You must ensure that your application, and the project described in it meets the eligibility criteria set out in Section 2 and fully addresses the assessment criteria as set out in Section 4. If it does not applications will be judged non compliant and therefore will be rejected.
- 3.6. The application must be complete; we cannot consider it if it is not. You must complete all questions by giving the information requested unless the Information Brochures expressly say the question does not need to be completed, or is optional. Entering “information to follow” or a similar comment as a response does not constitute an acceptable answer to a question.
- 3.7. Applications must be supported by a **full business case** to assess the technical and economic feasibility of the project. The business case must contain the following information, as a minimum:
 - Outline of the project proposal;
 - Technical /commercial/economic objectives of the project;
 - How the project will address the key objectives of the scheme; as defined in Section 4 of this brochure
 - Proposed project timetable and milestones;
 - Project design details;
 - Overview of proposed methodology and project management structures;
 - Proposals for management of environmental issues;
 - Proposals for actively promoting equality of opportunity

- Detailed costs (design/build/implementation/management) for the project and proposed sources of funding;
 - Assessment of key risks to successful delivery of project and proposal for their management;
 - Rationale for Funding, additional value that funding will deliver
 - Projection of benefits arising from project in Northern Ireland;
 - Assessment of environmental impact, including compliance with Development Path Analysis as outlined in Annex D.
 - Planning permission and relevant consent details if appropriate.
- 3.8. In addition and within the submitted business case applicants must be able to demonstrate, the following:
- that they and the project are financially viable,
 - that the project will improve business efficiency in terms of energy security and waste management
 - that the project will be profitable and
 - that a grant is needed for the project to succeed.
- 3.9 Applicants must be able to demonstrate that they have identified and have evidence of an outlet for a usable end product.
- 3.10 Applicants must demonstrate that the project is technically sound and is capable of delivering the objectives of the scheme. This will encompass energy technology, fuel supply, and technical support

Supporting documents

- 3.11. Two copies of the business case should be submitted as part of the application process. DARD will undertake a full appraisal of your project as part of the assessment, in line with, “Managing Public Money Northern Ireland” requirements.
- 3.12. Where relevant projects must comply with national and EU legislation on the environment (including demonstrating compliance with Planning Service requirements and building control regulations), and must have the appropriate planning approvals and permission in place before a project will be considered for an award of grant. This will also apply to any other relevant consents. Project design plans and a copy of planning approval where required should accompany applications. This will also apply to other relevant consents.
- 3.13. A detailed list must be submitted of all items for which grant is being sought supported by a single set of detailed quotations. This will demonstrate that the proposed costs are realistic. However, please note if your project is selected for an award of grant you will be required to obtain competitive tenders or quotations (as detailed below) for all of the work to be undertaken. Tender and quotation documentation must be retained for inspection by DARD and/or the European Commission.

Up to £1,500	1 to 3 quotations by fax or email
£1,501 to £10,000	4 selected written tenders
£10,001 to £30,000	5 selected written tenders
Over £30,000	Publicly Advertised for open or restricted tender competition

Goods and services over £30,000 to be obtained by a Project Promoter should be procured by means of a letter of intent at the application stage and on award of grant aid by way of a formal contract as stipulated in a letter of offer.

- 3.14 If it is not possible to obtain competitive tenders/quotations for an expenditure item because, for example, there is only one specialist supplier, you must fully document this at the time the quotation is obtained and seek the approval of DARD in writing prior to making any purchase.
- 3.15 Expenditure not supported by the required tender documentation will be considered ineligible and no grant will be paid.
- 3.16. Evidence of ownership of the project premises, for example, a copy of the deeds, or a solicitor's letter confirming ownership should be provided with applications.

Additional information

- 3.17. Each application must be in respect of a complete project.
- 3.18. It is an offence to make a false statement in your application form. Should DARD discover that you have intentionally made a false declaration your project will be considered ineligible and DARD will not process any further application.
- 3.19. You will be asked to confirm that none of the items covered by the application are replacements under an insurance claim and that no other public funding (whether from the EU or other sources) has been sought for any part of the project.
- 3.20. Once the application has been submitted you must notify DARD immediately if you wish to make any changes to the project. No other expenditure can be incurred on your project until it has been appraised fully and DARD has issued a Letter of Offer.
- 3.21. Applicants should note that they are solely responsible and accountable for ensuring that all equipment they purchase in relation to the project, whether grant supported or not, is fit for purpose. DARD does not accept any liability if equipment does not work as intended on installation or subsequently. Failure of the project could result in the cancellation of your award of grant and or recovery of any grant already paid.

Submitting the application

- 3.22. Each completed application must be signed and dated and submitted by the advertised closing date and time, to Climate Change and Renewable Energy Branch, DARD. It must be signed by the applicant and not a consultant.

Acknowledgement of the application

- 3.23. Completed application forms will be acknowledged within 10 days of receipt. If you do not receive this acknowledgement please contact Climate Change and Renewable Energy Branch, DARD, telephone number 028 90525493.

SECTION 4 – THE ASSESSMENT PROCESS

Application receipt

- 4.1. Following receipt of your application the following checks will be conducted;
- It will be checked against the requirements and mandatory eligibility criteria as detailed in Section 2.
 - Against evaluation criteria as set out at section 4.7.
 - The selection process may include a visit to your premises by the department or its appointed agent to inspect the location of the project and to undertake a technical assessment.
 - A check will be made to ascertain whether you have made an application for aid for the same project or part of the project under another European Community or national scheme.

Quality of application

- 4.2. Where there are minor omissions in your application you will be contacted for further clarification. If, however, there are so many omissions or areas of uncertainty that it is not possible to understand the project sufficiently to attempt an assessment, the application will be rejected. In such cases a letter will be issued informing you that your application has been unsuccessful and the reason why. You can reapply if you can rectify the problem before the closure of the application window.

Selection procedure

- 4.3. All projects will be subject to **two** distinct stages
- Assessment of eligibility; and
 - Selection against assessment criteria

Selection - Stage 1

- 4.4. Proposed projects must meet the **mandatory** eligibility criteria as described in Section 2 of this brochure
- 4.5. Applications that do not address and meet the requirements of the mandatory eligibility criteria as set in Section 2 will not progress any further in the selection process and will receive a letter of rejection.
- 4.6. Applications that do meet the requirements of the mandatory eligibility criteria will proceed to Stage 2 of the selection process.

Selection - Stage 2

Project evaluation criteria

- 4.7 All applications which have proceeded to stage 2 will be scored against the following criteria:

4.7.1 Potential to promote sustainable development and create sustainable communities

Provision of a Project overview including evidence of an approach that will demonstrate;

- an improvement in business efficiency,
- an improvement in sustainability with the rural community,
- a utilisation of cost effective and environmentally sustainable methods of processing agricultural wastes and other organic biomass materials,
- evidence of reduction in green house gas emissions.

4.7.2 Ability to deliver the priority objective to improve key elements of Northern Irelands infrastructure to support and complement sustainable economic and social development through activities that research and develop support mechanisms to encourage/pilot renewable energy programmes and raise awareness and knowledge of both renewable energy and energy efficiency.

- Demonstration of broadening the scope of existing farming activities by processing biomass into renewable energy and products which are of added value and or easier to handle
- Demonstration of improved waste management of agricultural and forestry wastes/residues
- Evidence of the ability to showcase and demonstrate the benefits of the installed renewable energy technology to the wider rural community

4.7.3 Viability and Additional Benefits of application

- Identified need for the project
- Evidence of Technical Viability
- Evidence of sustainable sources of feedstock supply
- Evidence of supply chain relationships in place

4.7.4 Demonstration of value for money and wider economic benefits of application

- Evidence of financial viability.
- Evidence of effective use of all primary and secondary products.
- Evidence of best practice in terms of technology, product, service and quality standards

4.7.5 Competence of promoter

- Evidence of previous knowledge and/or experience of renewable energy technology
- Evidence of adequate agricultural skills
- Evidence of use of accredited suppliers and installers or those with a proven track record in supplying and installing the specific technology
- Ability to complete the project within required timescales

4.7.6 Equality and good relations

- Evidence of due regard for the need to promote equality of opportunity and adherence to equality legislation

4.7.7 Promoting sustainable development and create sustainable communities

Assessment of the environmental impact of the project using a Development Path Analysis (further detail on this criteria is provided at annex D of this brochure).

Project Selection

4.8. A DARD appointed selection panel will review and score individual projects to identify the most appropriate projects to fund. DARD's objective is to ensure that a range of technologies, as identified in the eligibility criteria, are supported within this scheme. Each project will be appraised on its own merit.

4.9 To ensure a range of technologies are selected, the Selection Panel will score the following technology categories and then select the top scoring projects from each category in the order outlined below until either the successful project lists are exhausted or until the available budget is exhausted, whichever comes sooner.

Category A Anaerobic Digestors and similar technology with/without CHP

Category B Biomass Boilers and similar technologies with/without CHP

Category C Other biomass fuelled renewable energy technology

The categories have not been defined in any particular order.

4.10 If funds are not available to support all projects which have progressed beyond stage 2 your project will be considered by the selection panel under a competitive process. This means that not all projects which have undergone 2nd stage appraisal will be successful.

4.11. In a competitive situation the following priorities will be applied;

- only one project from an applicant/consortia may be considered at a selection panel sitting.
 - Only those which are considered as best fitting the schemes' criteria will be offered a grant.
 - In order to support biomass fuelled renewable energy at farm level, a range of the most appropriate technologies of varying scales to assist with the acceleration of renewable energy in the land based sector as indicated in 4.9 will be selected.
- 4.12. A letter of offer will be issued to successful candidates. Candidates will also be notified if they are unsuccessful and the reasons why. Unsuccessful applicants may request a review of their case.
- 4.13. The letter of offer will set out the conditions of the award. The letter of offer must be signed and dated and returned to DARD within 28 days of notification of an award otherwise the offer of grant may be withdrawn. A claim for grant aid can only be made after the Letter of Offer has been accepted. When a letter of offer has been accepted all projects will be subject to 100% vouching before any claims for grant aid can be sought.

Conditions of award

- 4.14. The award of a grant under the Fund will be subject to the conditions set out below. DARD may also impose special conditions in individual cases. Section 5, paragraph 45 of this brochure details action which may be taken by DARD if you do not comply with any of these conditions.

4.14.1 *Project alterations*

You must not alter the project without prior notification and written approval from DARD.

Applicants are expected to have carefully planned projects in advance and not embark on major modifications after grant is awarded.

4.14.2 *Additionality*

The principle of “additionality” will apply in all cases. This means the grant will only be paid on a project if it is clearly shown that it would not take place as planned without a grant. In addition the amount of aid available to a project will be determined according to the principle of providing the minimum grant necessary for the project to proceed.

4.14.3 *Submission of claims*

Claims must be submitted using the standard scheme claim form and be accompanied by evidence (including originals of all relevant tenders/quotations, invoices and bank statements) in relation to eligible expenditure. For expenditure to be considered as eligible, payments must have been debited from your bank account. Payments must be traceable from the original invoice to the cheque journal to the bank statement. You must maintain either a separate accounting system or an adequate accounting code for all transactions relating to the project.

In this respect all documentation relating to project expenditure items should be clearly marked with a code e.g. the DARD project reference number. The relevant documents to be annotated with a code are: order and delivery documents, invoices, cheque journals and bank statements. Invoices should also be endorsed with the date paid and the cheque number or other payment reference number. Claims should not include invoices for equipment which has not yet been fully paid for, or where equipment is not yet fully operational. All documents relating to the project must be retained until Dec 2022 and provided if requested to any DARD or EU Commission appointed official.

4.14.4 *Demonstration of Best Practice*

Applicants will be expected to show a willingness to let the funded technology be used as a demonstration of best practice in addition to encouraging industrial tourism and dissemination of information relevant to the funded project as outlined in Section 6 of this brochure.

4.14.5 *Ability to complete within required timescales*

You must submit the initial claim for grant within 12 months of the award of grant otherwise the offer of grant may be withdrawn. The project should be completed within 12 months of the date of the award of grant.

4.14.6 *Inspection Rights*

Applicants must permit DARD appointed representatives or officials to visit your premises to inspect the location of the project and undertake a technical assessment. Further visits may be required to verify claims for financial assistance connected with the project.

Review of unsuccessful applications

- 4.15. All applications which do not meet the requirements, eligibility criteria or are not selected after assessment by the selection panel will be sent a letter stating the reason for rejection.

Thereafter applicants will have the opportunity to request a debriefing session to discuss the decision either by meeting in person or by telephone. At this session the applicant will be informed of

- i) detail on the scoring of the project and reasons for the rejection
- ii) the formal review procedures (as detailed below).

No additional information above that already supplied with the original application can be considered at this stage.

- 4.16 If after the debriefing session the applicant remains dissatisfied by the decision there is the right to a formal appeal to a review process which will be set up independent of the Selection Process.

- 4.17 A decision can only be formally reviewed under the following criteria:

- The outcome was a decision that no reasonable person would make on the basis of the information provided on the application; and/or
- There was a failure in adherence to the scheme procedures that materially affected or could have materially affected the decision
- A review on any other grounds will not be considered.

The Review will examine only the information submitted with the original application. No new information may be introduced as part of the Review process.

- 4.18. A request for a formal review must be received by DARD in writing within 28 days of the date of the rejection letter or 14 days after the debriefing session whichever is the later. The request must clearly demonstrate the reasons for review.
- 4.19. The matter will be considered by a review panel who are independent of the selection panel. The review panel will be supplied with all the documentation considered during the evaluation, including the record of reasons for the rejection of the project and a copy of the request for review.
- 4.20. The review panel will consider whether the applicant has demonstrated sufficient grounds for the review to be upheld. The Review will inform the applicant in writing of its decision on whether it has recommended to the Department to uphold the original decision or asked for it to be reconsidered.
- 4.21. The Department will consider the Review's recommendations and may:-
 - 1) Confirm its decision; or
 - 2) Amend or alter its decision; or
 - 3) Revoke its decision entirely and substitute a new decision.
 - The Department will inform the applicant in writing of its decision following the review with 10 working days;
 - The Review will be completed within 8 weeks of receipt of the request for a review.
- 4.22. It should be noted that the Department is not bound to follow all or part of the Review Panels recommendations. However, the Department will accept the recommendations unless there are over-riding legal or other defensible considerations.

SECTION 5 – GRANT, MONITORING AND PROJECT REPORTING PROCEDURES

Background

- 5.1 The exact terms and conditions of any offer will be set out in full in the Letter of Offer of grant. An offer will lapse unless the conditions specified in the offer have been fulfilled within the prescribed time.
- 5.2 The terms below give an indication of the minimum requirements that may be applied.
- 5.3 The Letter of Offer will last for 5 years from the offer date.
- 5.4 Any offer of grant must be accepted within 1 month of the offer date.
- 5.5 Commissioning must take place by the deadline specified in the letter of offer.
- 5.6 All change of circumstances or proposed changes of beneficial ownership or bankruptcy proceedings etc (including consortium partners) must be notified to us.
- 5.7 Grant entitlement may cease on change of circumstances of proposer or any consortium partner and any payments may be recovered.
- 5.8 Grant entitlement ceases on change of beneficial ownership, including change in partners within a consortium, unless agreed by us. Agreement to any change of ownership is at our discretion (following financial checks etc.) and only within original scheme terms.
- 5.9 Grant entitlement ceases if there are any changes to a “key elements” schedule unless agreed in advance and at our discretion. Key elements will include location and actual built capacity being not less than 90% of the application.
- 5.10 Projects must provide details of any subsequent application for, or award of, aid for the project from other Government departments or their agencies, local authorities, lottery funding bodies or the European Commission. Grant payable may be reduced by the amount of any other award of public funding.
- 5.11 Claims must be against actual costs both incurred and defrayed and only up to maximum agreed percentage and maximum value for the payment milestone.
- 5.12 Projects must co-operate with the reporting, monitoring and dissemination requirements, any evaluation exercise or audit investigation and with promotional activity including permission for

photographs and pre-arranged site visits. Further information on these requirements is given at 5.27- 5.36 and in Section 6 of this brochure.

Grant Rate

- 5.13. Grant funding may be provided up to a maximum of 40% (Article 4.2 of Commission Regulation 1857/2006) of the capital costs incurred for the purchasing and installation of appropriate technologies for each project; however the maximum grant per project will not exceed €400,000 in accordance with Article 4.9 of Commission Regulation 1857/2006.
- 5.14. Applicants must fund the remaining eligible costs from their own resources. The aid payable under this Fund cannot be cumulated with any other State aid or with *de minimis* support within the meaning of Regulation (EC) No 1860/2004⁶. See Annex B.
- 5.15. Northern Ireland Renewable Obligation Certificates (NIROCS) in the case of electricity generation will be taken into consideration when assessing the grant rate and ceiling for the project. This may result in a downward variation in grant rate.
- 5.16. Where a project is expected to generate revenue this revenue will be taken into account in the calculation of eligible expenditure. The eligible expenditure should not exceed the current value of the investment cost less the current value of the net revenue from the investment over the specific period for investments in infrastructure where it is possible to objectively estimate the revenues in advance.
- 5.17. Where it is not possible to estimate the revenue in advance the revenue generated within 5 years of the completion of the operation must be deducted from the expenditure declared to the Commission.

Grant Claim

- 5.18. Claim forms and associated guidance notes will be issued when the award is confirmed.
- 5.19. Invoices in support of a claim must relate only to the items on which the award of grant was based. Other work that is not related to the project, but carried out by the same contractors must be invoiced separately.
- 5.20. Claims will only be paid when DARD are satisfied that the relevant expenditure has taken place, that compliance with all appropriate regulations and consents have been met and the work has been vouched by DARD or their appointed agents. The checking of claims may involve an on site inspection before any payments can be sought.

⁶ Article 19 of Commission Regulation 1857/2006 refers

- 5.21. Grant will be paid in arrears of expenditure. In general you may submit a maximum of three claims, along with all supporting documentation for grant, providing
- a) A claim for at least 20% of eligible costs is submitted within 8 months of the date of the award for grant; and
 - b) The final claim for grant represents at least 20% of eligible costs and is submitted not later than 3 months after completion
- 5.22 DARD may accept more frequent claims by prior arrangement to help with company cash flow.
- 5.23. Provided that there are no queries with your claim DARD will aim to pay the grant within 4 weeks of inspection. Final payment of grant will depend on the result of a final inspection and a satisfactory completion of a performance test, demonstrating correct operation at full rated output, after completion of the project. All payments will be made by electronic transfer to your bank account. DARD accepts no liability in respect of loss attributable to any delay in the payment of grant.
- 5.24. Eligible costs must be denominated and paid in pounds sterling.
- 5.25. If you do not meet the conditions of the letter of offer, then consideration may be given to withdrawing the letter of offer. Any grant that has been paid will be recovered with interest. DARD accepts no liability in respect of any loss attributable to any suspension, reduction or cancellation of grant.
- 5.26. Any overpayment of grant must be repaid to DARD following receipt of DARD's first demand or upon you becoming aware that grant has been overpaid, whichever occurs first.

Project monitoring

- 5.27. The Department will put the necessary arrangements in place to monitor the progress of your project and evaluate the outcomes following completion.
- 5.28. If required to assist with an evaluation of the Fund or the collation of monitoring data you must provide any information requested within a reasonable timeframe.
- 5.29. In return for receiving grant assistance DARD will require that you provide certain monitoring data over the 5 year life of the agreement. For up to 5 years after the installation is complete we will contact you annually to ask you to update the previously submitted report on completion (see 5.36) to show resource efficiency, carbon savings, any additional costs, and on how the project has generally performed. In this respect your name and address may be passed in confidence to any independent researcher that may be commissioned to undertake such work on DARD's behalf.

- 5.30 Monitoring will be conducted over a 5 year period to ensure that the project in receipt of grant assistance does not undergo a substantial modification which would;
- a) affect its nature or its implementation conditions or giving to firm or a body an undue advantage
 - b) resulting from a change in ownership of an item of ownership of an item of infrastructure or the cessation of a productive activity.
- 5.31. For environmental monitoring purposes under the European Sustainable Competitiveness programme for Northern Ireland 2007-2013, DARD has a responsibility to promote and monitor environmental sustainability at project level. This scheme relates to actions that improve the resource efficiency (“eco-efficiency”) of existing activities. DARD will monitor each project to assess the impact on resource efficiency.
- 5.32. In line with the equality of opportunity as a cross-cutting theme of EU programmes, and the statutory duty flowing from the requirements of Section 75 and Schedule 9 of the Northern Ireland Act 1998, the impact of the programme in terms of equality of opportunity must be assessed. Where projects clearly have individual beneficiaries, Section 75 data will be collected using a short, anonymised questionnaire designed to reflect Equality Commission best practice. All project beneficiaries must complete an equality questionnaire. Freepost envelopes addressed to the Northern Ireland statistics and Research Agency (NISRA) will be provided. The questionnaire is to be completed by each individual project beneficiary.

Variation of Project

- 5.33. Where circumstances change or unanticipated factors arise, following the signing of a letter of offer, you may apply for variations to a project however; you must obtain the approval of DARD before implementing any variations to an approved project.

Project reporting

- 5.34. Regular progress reports as defined in the business case for the project are required through out the period of the grant up to the last claim. This will include progress against the planned schedule and outturn compared to the cost and claim estimate. A standard template will be provided for these reports.
- 5.35. An independent consultant’s certificate may also be required at certain milestones during the installation to verify that the milestones have been reached and certifying that all of the equipment has been installed to the manufacturing instructions, and that performance testing has been carried out satisfactorily.
- 5.36. On completion of the project i.e. when all the installations have been completed and signed off as working satisfactorily, a final report on completion will be required. This will be required before the final grant

claim will be paid. A standard template will be provided which will request information such as:

- Summary description of the project including technology and reasons for purpose;
- Location of the installation
- Heat and electricity output and end use
- Type and quantity of fuel used
- Project carbon savings
- Budget outcome compared to estimate
- An account of successes and difficulties experienced during the installation, solution to problems encountered, and what you would do differently next time
- Photographs of the installation
- Evidence of dissemination

On and after completion of grant

5.37. Completion is defined as five years after the payment of final grant.

5.38. You must not change ownership or the location of the project (or part of the project) during the lifetime of the letter of offer and within five years from the date of completion of the project without the prior written approval of DARD.

5.39. Use of the assets during the five years following completion of the project must not depart to any significant extent from those outlined for the project at the time of the award.

5.40. You must meet any legal obligation imposed under EU and UK law.

5.41. Any equipment on which grant is paid must be covered fully by insurance against loss and damage by fire, lightning, storm, flood, frost, theft, impact and such risks for at least five years from the date of completion of the project.

5.42. Any buildings and equipment on which grant is paid must be kept in good condition and operational on your premises for at least five years from the date of completion of the project.

5.43. You must keep all original documents relating to the project until 31st December 2022 (or such a date that may be specified by the European Commission)

Access by EC, DARD and DARD Appointed Representatives to the Installation

5.44. At all times during the project assessment, installation process and for up to five years after installation, you must allow reasonable access for European Commission, DARD or/and Appointed Agents to inspect the equipment and speak to you regarding the experience of the scheme and the project installation.

Penalties

- 5.45. The Biomass Processing Challenge Fund Regulations (Northern Ireland) 2010 set out the offences and penalties which may be imposed should the conditions of approval of grant be breached. Failure to meet the conditions of grant could result in the cancellation of award of grant and/or recovery of any grant already paid (plus interest on the sum to be recovered) or a reduction in the amount of grant payable.

SECTION 6 – PROJECT DISSEMINATION

In return for receiving grant assistance DARD will require that you provide certain monitoring data over the 5 year life of the agreement and that the project is publicised.

Information and Publicity

- 6.1 It is important to the aims of the Fund that the grant funded projects should act as encouragement to others. Summary details of successful projects will be published and disseminated widely this may include publication on the DETI Success Through Competitiveness website.

Summary details may include

The name of the project
The names of the project promoter
Location of the project
Expected energy output from the project
Expected Secondary output from the project
Expected carbon saved
Estimated investment cost
Grant allocated to the project
Total public support from all sources
Proposed/ actual Commissioning date
Brief description of the project including key technical features.
The Report on Project completion may also be used for promotional purposes.

- 6.2. All projects will be encouraged to increase awareness of their installation and the advantages of resource efficiency in the context of biomass fuelled heat and power. This could be by open days, magazine articles, production of case study material, educational links with schools and colleges, farmer visits or web activity.
- 6.3. All commercially sensitive information given will be treated in confidence. To comply with EU requirements, details of projects who have been awarded grant along with amount of public funding awarded will be published for each project. Any other disclosure of information will be in accordance with the Data Protection Act 1998, Freedom of Information Act 2000 and Environmental Information Regulations 2004.
- 6.4. To comply with EU requirements, for infrastructure or construction projects over €500,000 total project costs a billboard must be erected at the site which should be replaced by a permanent explanatory plaque no later than six months after completion. The plaque and billboard must bear the standard community emblem and include the following words “European Regional Development Fund: Investing in

your future". This information should take up at least 25% of the billboard or plaque.

ANNEX A

LEGISLATION

This brochure is only a guide for the Biomass Processing Challenge Fund and does not represent an interpretation of the legislation – only the courts can rule authoritatively on such matters. It is recommended that you consider the legislation before applying.

The relevant regulations are:

- European communities Act 1972 Article 2(2).
- Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) 1260/1999 (O.J. No. L210, 31.7.2006, p.25).
- Commission Regulation (EC) No 1828/2006 of 8 December 2006 setting out the rules for the implementation of Council Regulation 1083/2006 (O.J. No. L371, 27.12.2006, p.1).
- Regulation (EC) No 1081/2006 of the European Parliament and of the Council of 5 July 2006 on the European Social Fund and repealing Regulation (EC) No 1784/1999 (O.J. No. L210, 31.7.2006, p.12).
- Regulation (EC) No 1080/2006 of the European Parliament and of the Council of 5 July 2006 on the European Regional Development Fund and repealing Regulation (EC) No 1783/1999 (O.J. No. L210, 31.7.2006, p.1).
- Regulation (EC) No 1989/2006 of the European Parliament and of the Council of 21 December 2006 amending Annex III to regulation (EC) No 1083/2006 (O.J. No. L411, 30.12.2006, p.6).
- Council Decision 2006/702/EC on Community strategic guidelines on Cohesion (O.J. No. L291, 21.10.2006, p.11).
- Commission Regulation (EC) No. 70/2001 of 12 January 2001 on the application of Articles 87 and 88 of the Treaty to state aid to small and medium-sized enterprises (O.J. No. L10, 13.1.2001, p.33).
- Commission Regulation (EC) No. 1857/2006 of 15 December 2006 on the application of Articles 87 and 88 of the Treaty to state aid to small and medium-sized enterprises active in the production of agricultural products and amending Regulation (EC) No. 70/2001 (O.J. No. L358, 16.12.2006, p.3).
- Commission Regulation (EC) No. 1628/2006 of 24 October 2006 on the application of Article 87 and 88 of the Treaty to national regional investment aid (O.J. No. L302, 1.11.2006, p.29).

- State Aid N. 673/2006 – United Kingdom Regional aid map.

ANNEX B

STATE AID

This scheme complies with Article 4.3(d)⁷ of the Commission Agricultural Exemptions Regulations 1857/2006.

The scheme also complies with Article 19 which states that:

1. The aid ceilings fixed in Articles 4 to 16 shall apply regardless of whether the support for the aided project or activity is financed entirely from State resources or is partly financed by the Community.
2. Aid exempted by this Regulation shall not be cumulated with any other State aid within the meaning of Article 87(1) of the Treaty, or financial contributions provided by Member States, including those covered by the second subparagraph of Article 88(1) of Regulation (EC) No 1698/2005, or financial contributions by the Community in relation to the same eligible costs, if such cumulation would result in an aid intensity exceeding the maximum laid down in this Regulation.
3. Aid exempted by this Regulation shall not be cumulated with *de minimis* support within the meaning of Regulation (EC) No 1860/2004 in respect of the same eligible expenditure or investment project, if such cumulation would result in an aid intensity exceeding that fixed by this Regulation".

⁷ (Commission Regulation No 1857/2006 Chapter 2 Article 4 3(d) preservation and improvement of the natural environment or the improvement of hygiene conditions or animal welfare standards).

Annex C

GUIDANCE ON INFORMATION REQUIRED TO APPLY

This Annex provides an outline of the information required to apply for the Scheme. It is not comprehensive but just provides indicators.

Section 1 ADMINISTRATIVE DETAILS

1.1 Name and contact details	
Project title, details of applicant, address of registered office, contact details for correspondence and location of project	<p>The information in this section will be used for database and management purposes. The title of the project will be used throughout the award process and any subsequent grant. All applicants will be required to provide a farm business identification number. All correspondence will be conducted through the contact address given for the lead organisation and normally by e-mail. Please ensure that the e-mail address remains active.</p> <p>Project location and siting must be specified and supported with maps/drawings if possible.</p>
1.2 The applicant	
Farm Business size	<p>The Scheme is open to owners/occupiers of agricultural holdings which do not exceed the definition of a medium enterprise (farms) or groups of owner/occupiers of such holdings where at least one member has responsibility for the control of farming of the land on which the project is based. Applicants must be able to demonstrate that the project benefits primary producers from the agricultural, horticultural or forestry sectors.</p> <p>Medium-sized enterprise is an enterprise satisfying all of the following criteria:</p> <ul style="list-style-type: none">- has fewer than 250 employees;- has either an annual turnover not exceeding €50 million or a balance-sheet total not exceeding €43 million;- is independent <p>Cooperatives or consortia proposing to operate through a collaborative agreement or joint venture may be considered where proposals show that a number of individual farmers have come together to invest in the proposed project. One of the consortia must own the agricultural holding on which it is intended to install the proposed project.</p>
Business or	All applicants are required to give a short description of their

activities	farming activities.
Description of how this project will benefit your activities	Identify the three most important benefits being specific and quantifying where possible. e.g. will reduce fuel bills by 50%, improve environmental marketing profile, etc.
Description of any experience that you have that will benefit the project	Describe any experience you have of similar projects or activities that would support a decision to award a grant. This could be project management of similar projects or other renewable energy activities that would increase the public profile of the project.
1.3 Partners (if applicable)	
Organisation, legal status and registration number	List the name, address and legal status for each partner to the project. Evidence must be provided of contractual arrangements by consortia. If there are no partners, put 'Not applicable'

Section 2 – THE PROJECT

2.1 Basic information	
Brief summary of the project	Applicants are required to summarise briefly the character, size and advantages of the project, including the technologies involved. You are requested to confirm the timeframe involved to complete the project.
Total of all of the rated heat/electricity outputs (kW) of the installations	Applicants are required to provide an estimate of the total energy output of the installation.
Fuel	Applicants are required to state the biomass used in the installation. See Section 2 of the Information Brochure for the definition of eligible biomass fuel.
Fuel suppliers	Applicants are required to ensure that the fuel needed for the project is available at the right quality and price. Applicants are required to identify the fuel supply and source.
Total biomass fuel requirement for all installations	Applicants are required to estimate the amount in tonnes of the total biomass fuel to operate the installation. This should be identified as requirement per year.
Fossil fuel displaced by biomass fuel	Applicants are required to estimate the amount of fossil fuel displaced by the biomass.
Estimated total fossil fuel and/or electricity used in	Applicants are required to identify the amount of fossil fuel or electricity required for automatic start up or back up of the installation.

all the installations for start, peak load and back up	
GHG mitigation	Applicants are required to estimate the quantity of greenhouse gas emissions saved through using the renewable energy installation instead of a fossil-fuelled one, given in tonnes of carbon dioxide equivalent per annum.
2.2 Installations	
Equipment to be installed (manufacturer and model number)	Applicants are required to identify the equipment to be installed for which they are claiming grant and attach the manufacturer's brochure and appropriate data sheet. Applicants are required to identify all the equipment required for the installation. Please check the list of eligible costs in Section 2 of this Information Brochure
Calculated annual heat/electricity load of the premises or process that will be met by the installation	Applicants are required to estimate the total energy that is off set by the installation.
What proportion of the total energy load will be met by the installation	Applicants are required to identify what percentage of the estimated total annual energy demand for the premises or process is met by the installation(s) in the application.
Monitoring output	Applicants are required to measure and record usage/throughput, and therefore calculate the energy, carbon and other greenhouse gas savings compared to using an equivalent fossil-fuelled installation.
2.3. Environmental compliance and planning – for all installations	
Environmental compliance	Applicants are required to ensure that all installations supported under the scheme meet the legal requirements for the locality.
Is planning permission needed for any installation?	Applicants are required to identify whether planning permission is needed for the installation and where relevant, evidence must be provided to demonstrate the appropriate planning approvals are in place.
2.4. Project Milestones - Timing	
Project start date – grant offer received	Applicants are required to set the date in the format mm/yy

Equipment ordered	Applicants are required to set the date in the format mm/yy
Equipment delivery	Applicants are required to set the date in the format mm/yy using the quote from your supplier
Installation completed	Applicants are required to set the date in the format mm/yy using the quote from your supplier
Commissioned and accepted	Applicants are required to set the date in the format mm/yy when the equipment will be fully installed and tested to full load. Don't forget you will need to ensure sufficient fuel and a heat load on the equipment that is large enough to test the function.
Performance testing completed	Applicants are required to set the date in the format mm/yy when performance testing will be completed. This will be when the equipment has operated for an agreed length of time at defined conditions and the purchaser and supplier are in agreement that operation is satisfactory

Section 3 – CALCULATING THE GRANT

3.1 Total Project Costs	
Cost of Project	Applicants are required to identify the total cost of the project
Own resources	Applicants are required to identify access to adequate financing to complete the entire project proposed. Supporting documents must be attached.
Loans	Applicants are required to enter any amounts that will be loaned from Banks or other financial institutions. Evidence such as a letter from the Bank etc will also be required.
Other	Applicants are required to identify any other sources of finance. Donations, grants etc. Evidence such as a letter from the supporting organisation(s) concerned is required.
Grant Requested	Applicants are required to identify the percentage grant needed to proceed with the project. Grant rates are provided at 1.4 of this Information Brochure
Total	Applicants are required to indicate the achievement of total investment costs against the total cost of the project.
3.2 Quotes and estimates	Applicants are required to adhere to the guidance provided in Section 3 of this Information Brochure.

Section 4 – ASSESSMENT AND SELECTION CRITERIA

Project Overview	<p>This section of the application will be used to evaluate your project against the selection criteria. Applicants must ensure that all aspects of the selection criteria are addressed within this section of the application to allow the evaluation procedure to go ahead.</p> <p>All applicants will be required to provide the appropriate supporting documentation for example structural engineering reports, evidence of compliance with regulations, financial accounts, equipment standards and letters of intent in relation to finance and supply.</p> <p>A full business case must be submitted separately (see Annex E) as part of the application process to allow DARD to undertake a full appraisal of your project as part of the assessment, in line with, “Managing Public Money Northern Ireland” requirements.</p>
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Section 5 – DECLARATIONS

Declarations by lead applicant and partners (if applicable)	These must be signed by a person who has the authority to commit your organisation to carrying out the work and providing the financial resources indicated in the proposal.
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Section 6 – EQUALITY OF OPPORTUNITY STATEMENT

Equality of opportunity	All applicants must commit to and sign this statement.
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Section 7 – COMPLETING YOUR APPLICATION

Checklist	Please check that you have provided all the information requested in the form and the Information Brochure and complete the checklist. It is very important to make sure that all the Appendices have been correctly referenced in the form and attached to the application.
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Annex D

Development Path Analysis

Development Path Analysis technique will be applied as part of the assessment procedure to evaluate the impact of the project on economic, environmental and social development in general.

Projects will be allocated a Development Path Analysis is based on an assumption that certain patterns of development or 'development paths' are more environmentally sustainable than others.

The tool recognises six development paths

Path A Actions that promote activities that simply meet environmental regulations

Business as usual. Project meets minimum environmental regulations. No special effort to minimise or improve impact of activities on the environment.

Path B Actions that clean up the mess from past activities or actions that promote physical regeneration

Projects that involve cleaning up existing environmental damage such as the degradation of air and water quality and compromising the environments on which plant and animal life depends. The project may include regeneration activities which directly improve the overall quality of the natural and built environment and directly encourage others to take pride in the environment.

Path C Actions that put in place environmental infrastructure to reduce the negative environmental impact of development activities

Projects that install infrastructure that allow day to day activities to continue but with less damage to the environment. Projects that increase the capacity of current infrastructure or the introduction of infrastructure with a higher quality output.

Path D Actions that help to meet increasing environmental standards

Projects which invest in better processes or technologies to proactively meet increasing environmental standards

Path E Actions that improve the resource efficiency (eco-efficiency) of existing activities

Projects which improve the efficiency of resources to address the impact of human activities on the environment. Projects which make effective use particularly of renewable resource..

Path F Actions that support as well as encourage, new types of activity or behaviour using fewer environmental resources, or producing less pollution, than existing activities in the area

Projects which promote new activities and behaviours that have a less damaging or positive effect on the environment than the established or routine activities.

The objective is to move away from Path A and toward activity under Path F. Path A is an activity that simply meets environmental regulations and therefore makes a minimal contribution to environmental sustainability. Path F makes a significant contribution, it is an activity that pursues environmental protection at the same time as it pursues economic and social development. The paths in between are paths that mitigate the impact of existing activity in some way. The focus is on the type of activity rather than the scale.

Projects will be assigned the development path that most closely matches the type of activity the project represents

Annex E

You must provide a business plan with your application. It is a key element of the application and should demonstrate that your project will be

- **Feasible**
- **Value for money**
- **Self sustaining after grant aid has ceased**
- **Beneficial to the rural community, economy and environment**

The following Items should be covered in a Business Plan as a minimum

1 Outline of the project proposal;

This will include the name of the Project.

This will include the need for the Project:

- Describe any existing activity in the area. Will you be competing or cooperating with anyone in the area. Are there any particular issues or needs your project will address.
- Summarize any market research or other preliminary work you have carried out.
- Give details of the products generated from the installation
- Give details of how the products generated from the installation will be used.

2. Technical/commercial/economic objectives of the project;

This will include the project objectives, targets and outputs.

Give a clear description of what you are proposing to do and the results you expect to see. Set out detailed objectives, milestones, targets, outputs and results for the project (you may wish to set this out in a table). Outputs may include number of jobs created or preserved, increased resource efficiency of participating businesses, biomass growers involved along with other considerations. Milestones are key events that are essential to the success of the project.

For producer groups give details of each group member

- Full name
- Principle existing activity of each member

For producer groups provide the groups constituting document

Give a clear description of how the project will be promoted

Set out the long term strategy for the project. Explain how it will be funded and the key long term aims of the project.

3. How the project will address the key objectives of the scheme; as defined in Chapter 4 of this brochure

Sustainable development is about ensuring a better quality of life for every one- now and for generations to come under this heading you will wish to include the following:

3.1. Economic Impact

Describe the projects contribution to the overall development of the region and the involvement of other businesses. Details should be provided of consultants, advisers, or other third parties that may be involved in delivering the project. Details of any contribution to job security or job creation may also be included.

3.2. Environmental Impact

Set out the ways in which your project has an impact on the environment, both positive and negative. What steps you have taken to ensure any negative impacts are minimized. You may wish to give details of any consultation with relevant individuals or organizations.

3.3. Social Impact/ Proposals for actively promoting equality of opportunity

Explain what contribution your project will make to ensuring equality of opportunity. Set out how your project meets the needs of equal opportunities as identified in 2.14 of the brochure.

4. Proposed project timetable and milestones;

Set out the detail of the completion of the project identifying key milestones of the project implementation from purchase to commissioning.

5. Project design details;

Identify the nature of the installation including location, manufacturer, supplier accreditation of the technology proposed, experience of the installers.

Set out the technical capacity of the equipment and track record.

6. Overview of proposed methodology and project management structures;

Explain how the project will be managed. Does any one involved in the project have experience of running similar projects – if so provide details.

Define the roles and responsibilities of the project team.

Describe if new employees are required and how they will be recruited. Describe the skills they will be expected to have.

Set out the financial management systems you intend to implement. You must be able to provide auditable accounts through which grant expenditure can be monitored and traced.

Detail the project management costs. How will they represent value for money relative to the overall project costs and benefits achieved.

Describe your reporting procedures. How will you demonstrate that you are achieving what you set out in your business plan

Detail proposals for management of and compliance with environmental issues;

7. Detailed costs (design/build/implementation/management) for the project and proposed sources of funding;

Explain why you need the capital items for which you are seeking funding.

For bespoke equipment explain why 'off the peg' is not suitable.

Set out a quarterly breakdown of all the costs (net of VAT) for items and activities eligible for support. The costs should be linked to the project timetable.

Explain the criteria used to calculate costs, including competitive tenders and quotations where appropriate.

List the items and activities that are summarized in each category as identified above.

Give details of the sources of private and/or public funding that you have already secured, including any conditions on which that funding is dependent. A copy of the letter of support from the provider of any finance must be attached.

Give details of any sources of private and/or public funding applied for but not yet secured. Outline the status of your application.

Give an account of any training costs that may be incurred outlining the description of the training, how it contributes to the success of the project, details of the training providers including competence.

Give an account of projected sources of revenue generated by the project

8. Assessment of key risks to successful delivery of project and proposal for their management

Identify the key risks associated with the project and steps taken to mitigate these risks

9. Rationale for Funding and additional value that funding will deliver

Explain why the project should receive public funds. Would the project proceed without public funding but on a smaller scale. Would the project go ahead but on a longer timescale.

Explain what sources of funding you have considered and why they are unsuitable.

Explain how the benefits achieved by supporting your project will represent value for money.

Describe any links to either previous projects supported by public funds or schemes you are currently applying for.

Set out the benefits arising from the project for Northern Ireland;

- 10. Provide an assessment of environmental impact, including compliance with Development Path Analysis as outlined in Annex D.**
- 11. Provide Planning permission and other relevant consent details if appropriate**

Biomass Processing Challenge Fund – Project Assessment Scoring Template

	Top Level Criteria (ERDF)		Programme Criteria	Project Criteria	Project Score	Maximum Score and Weighting	Final Project Weighted Score
1	European Sustainable Competitiveness Programme Priority 3 and Theme Specific Objectives						
	Improving the Accessibility and Protecting and Enhancing the Environment	1.1	Potential to promote sustainable development and create sustainable communities (60) Project Specific	Project overview including evidence of an approach that will demonstrate: -an improvement in business efficiency -an improvement in sustainability with the rural community - a utilisation of cost effective and environmentally sustainable methods of processing agricultural wastes and other organic biomass materials Evidence of reduction in green house gas emissions		20x3	
		1.2	Ability to deliver the priority	Demonstration of broadening		20x2	

Annex F

	Top Level Criteria (ERDF)		Programme Criteria	Project Criteria	Project Score	Maximum Score and Weighting	Final Project Weighted Score
			objective to improve key elements of Northern Ireland's infrastructure to support and complement sustainable economic and social development through activities that research and develop support mechanisms to encourage/pilot renewable energy programmes and raise awareness and knowledge of both renewable energy and energy efficiency. (40)	the scope of existing farming activities by processing biomass into renewable energy and products which are of added value and or easier to handle Demonstration of improved waste management of agricultural and forestry wastes/residues Evidence of the ability to showcase and demonstrate the benefits of the installed renewable energy technology to the wider rural community			
2.	Efficiency and Effectiveness						
		2.1	Viability and Additional Benefits of application (30)	Evidence of Technical Viability Evidence of sustainable sources of feedstock supply Evidence of supply chain		20x1.5	

Annex F

	Top Level Criteria (ERDF)		Programme Criteria	Project Criteria	Project Score	Maximum Score and Weighting	Final Project Weighted Score
				relationships in place			
		2.2	Demonstration of value for money and wider economic benefits of application (20)	<p>Evidence of financial viability.</p> <p>Evidence of effective use of all primary and secondary products.</p> <p>Evidence of industry best practice in terms of technology, product, service and quality standards</p>		20x1	
		2.3	Competence of promoter (20)	<p>Evidence of previous knowledge and/or experience of renewable energy technology</p> <p>Evidence of use of accredited suppliers and installers or those with a proven track record in supplying and installing the specific technology</p> <p>Ability to complete within required timescales</p>		20x1	

Annex F

	Top Level Criteria (ERDF)		Programme Criteria	Project Criteria	Project Score	Maximum Score and Weighting	Final Project Weighted Score
3.	Cross Cutting Themes						
		3.1	Equality and good relations (15)	Evidence of due regard for the need to promote equality of opportunity and adherence to equality legislation		20x0.75	
		3.2	Promoting sustainable development and create sustainable communities at a macro level(15)	Assessment of the impact of the project using a Development Path Analysis		20x0.75	
	TOTAL					200	
	Quality Threshold (65%)					130	

Taking weighting into consideration, all projects must be scored out of 200. A minimum score of 130 (65%) must be achieved for a project to be recommended for funding

As well as achieving an overall score of 65%, applicants must score 65% in criteria 1 and 2 above. Additionally an application must achieve a minimum scoring band of 9-12 (evident) for each cross cutting theme.

Score Bands Mark Frame Guidance – Criteria Focused

Score	How Evident	Link to Criterion	Link at Project Level
0-4	Not Evident	The application failed to meet a basic standard	The project proposal does not demonstrate that it has the capacity to deliver basic project outcomes that would be expected in order to be awarded funding
5-8	Less Evident	The application met some of the basic requirements of the criterion	The project proposal demonstrates some ability to deliver key outputs and outcomes in areas, but overall it is below the standard expected in order to be awarded funding
9-12	Evident	The application met the requirements of the criterion	The project proposal demonstrates an ability to deliver project outcomes to an acceptable standard and it may be considered suitable for funding
13-16	Very Evident	The application fully met the requirements of the criterion	The project proposal is strong in the manner in which it has described a range of activities that will result in good outputs and the achievement of key goals
17-20	Highly Evident	The application was an excellent fit with the requirements of the criterion	The project proposal demonstrates an excellent ability to deliver and shows a high degree of competency in achieving the outcomes described.

Dates of Issue -