



Llywodraeth Cymru
Welsh Government

GUIDANCE, DOCUMENT

Agriculture Diversification Scheme: rules booklet (window 1)

Explains the scheme and eligibility requirements for window 1.

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Introduction: supporting the rural economy and the transition to the Sustainable Farming Scheme

The Programme for Government sets out our commitments to continue supporting farmers to produce food in a sustainable way, whilst taking action to respond to the climate emergency and to help reverse the decline in biodiversity. Funding support for farmers, land managers and associated rural sectors over the next 3 years is delivered through a flexible framework of support, with schemes – including the Agricultural Diversification Scheme - delivering towards the following themes:

- farm scale land management
- on farm environmental improvements
- on farm efficiency and diversification
- landscape scale land management
- woodland and forestry
- food and farming supply chains

The framework is designed to both support action in response to the challenges and opportunities available over the next 3 years and to inform the continuing development of the Sustainable Farming Scheme, which will reward farmers for the work they do now to lower their carbon footprint, improve the environment and produce food in a sustainable way.

Further information on the themes and schemes being developed are available at: <https://businesswales.gov.wales/walesruralnetwork/>

Section A: introduction

These Guidance Notes explain the Agricultural Diversification Scheme. Please

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read it carefully. If you then consider your investment plans may qualify for support under this scheme and you want to apply for support, please see 'How to Apply' at section C and the [How to Complete booklet](#).

The application window will open on 10 October 2022 and close on 13 January 2023.

The indicative budget allocation for this application window is £1.5m.

The Agricultural Diversification Scheme is a capital grant scheme available to farmers in Wales. The objectives of the scheme are to:

- Support the establishment of new viable agricultural diversification enterprises on farms.
- Support the development of existing novel or niche enterprises.
- Build resilience into Welsh agriculture by developing diversified income streams.
- Reduce the reliance on traditional agricultural enterprises.
- Respond to new market opportunities and develop new markets.

Please read the scheme rules and guidance document before submitting an application.

The scheme is discretionary. The amount of grant offered would relate to individual circumstances and would always be the **minimum amount necessary** to allow the investments to go ahead. If selected, you must be able to complete and claim all Capital Works items by 31 March 2024

Any changes will be publicised via the [Welsh Government website](#), GWLAD online and, where necessary, we will contact you directly.

Section B: agricultural diversification eligibility

You are eligible to apply if:

- You are registered with the Welsh Government and have been issued with a Customer Reference Number (CRN). Please refer to the Welsh Government website for the how to register guidance or call the RPW Customer Contact Centre on 0300 062 5004.
- You are a primary producer of agricultural products
- You **either** have at least 3ha of eligible agricultural land registered with RPW in Wales **or**
- You are able to demonstrate over 550 standard labour hours.

We will check if you have an eligible Basic Payment Scheme or Glastir Organic claim to verify if you are a primary producer of agricultural products and you have 3ha of eligible agricultural land in Wales.

If you have not submitted claims for either of these schemes, you must submit documentary evidence with your application to verify that you are a primary producer of agricultural products and that you meet either the 3ha of eligible agricultural land registered with RPW in Wales or 550 standard labour hours eligibility criteria. If this documentary evidence is not submitted by the application closing date, your application will be rejected.

The primary production of agricultural products includes the following farming sectors:

- arable
- beef
- dairy
- goats
- horticulture (including hydroponics and aquaponics)

- pigs
- poultry
- sheep
- apiculture

Group Eligibility

A group of farmers may submit an application for the Agricultural Diversification Scheme. To do so, all farmers that comprise a group must meet all the above eligibility conditions

A group of 2 or more farmers can include one additional individual or organisation that do not meet the above eligibility conditions, however, all farmers that comprise a group must meet all the above eligibility conditions.

In addition, the group must be registered with the Welsh Government and have been issued with a Customer Reference Number (CRN) for the group. The application must be submitted under the CRN as issued for the group.

If two or more agricultural holdings are managed as a single unit, or in a single ownership, or to some extent have common management, common financial accounts, common livestock, machinery and/or feeding stores, that will be classed as a single business.

You are not eligible if:

- You are an Equine customer (including grazing horses)
- You are a Forestry customer (including woodland only owners)
- The capital equipment is to be used for contracting or leasing purposes.

Eligible Costs

The grant is awarded in the form of a capital grant, which is provided to facilitate the establishment or development of an agricultural diversification project.

Support is provided for projects that meet the following criteria only:

- The development of existing, or establishment of new agricultural livestock enterprises that are not traditional enterprises in Wales.

Traditional enterprises are considered to be; beef, sheep, dairy (cow), pig and poultry enterprises and would not be supported, this includes rare breeds and pedigree livestock.

An example of an eligible project would be capital investments towards the development or establishment of a sheep or goat milking enterprise.

- **The growing of novel or alternative crops.**

The growing of traditional arable or horticulture crops would not be supported.

An example of an eligible project would be capital investments towards the development or establishment of an enterprise to grow plants for fibre, energy or medicinal purposes.

Specialised equipment required for establishment, harvesting and storage of the new crop would be eligible, as well as seeds and plants.

- **Supporting investment to enable farmers to add value to non-food agricultural products or by-products.**

Adding value through the processing of food e.g. adding value to red meat through a cutting or packaging unit or processing of milk into cheese or yogurt

would not be eligible.

An example of an eligible project would be the processing of wool, waste products or straw.

If you have any questions, or wish to confirm eligibility of a project before developing an application, send your enquiry to AgriculturalDiversification@gov.wales

Second hand equipment is eligible where the applicant can demonstrate the following:

- it complies with current health and safety legislation
- it is fit for purpose
- it has at least five years life expectancy remaining.

Ineligible Costs

- Investments in traditional beef, sheep, dairy (cow), pig, poultry, arable or horticultural enterprises.
- Purchase of livestock.
- Purchase of land.
- Tourism or activity projects.
- Planting of woodlands.
- Processing of timber.
- Processing of primary agricultural products.
- Investments to replace items previously purchased with public funding, such as EU or Welsh Government grant assistance (for the same farm business). Activities related to primary production of agricultural products that are not undertaken by the primary producer, for example, agricultural contracting or leasing activities.
- Replacements under an insurance claim.

- Investments that are not located on the applicant's holding.
- Buildings or temporary buildings for retail use.
- Purchase of vehicles.
- Revenue costs such as salaries for staff.
- Planning application costs.
- Consumables (items which are normally written off within a year).
- General office equipment and furniture.
- Maintenance costs.
- Investments in renewable energy. (Except where the energy generated is used primarily for the diversification enterprise).
- Investments in capital items with capacity that exceeds the requirements of the new enterprise e.g. the purchase of a seed drill that would primarily be used for conventional arable crops would not be eligible.

Investments are only eligible for grant aid when the cost has been correctly defrayed and evidenced by the claimant. Therefore, the full costs of any equipment secured under a hire purchase or lease hire agreement, or any other form of financial arrangement is not eligible for grant aid.

Maximum Grant Rate and Maximum Grant Threshold

The maximum grant award is **£50,000** and the minimum is **£3,000**.

The grant provides a maximum 40% contribution towards capital investments (excluding VAT), which can be demonstrated as offering clear and quantifiable benefits to farm businesses.

The grant will be a maximum 40% contribution against **actual invoiced costs**.

For instance, you are offered a contract with an offer of grant towards an investment with a value of £100,000. The maximum grant offer will be £40,000.

Should the investment, on completion, cost in excess of £100,000, the grant will be capped at the original cost submitted in the application i.e. 40% of £100,000.

Should the cost on completion of the investment be less than the original cost submitted in the application, (e.g. £80,000) the grant claim will be reduced to £32,000 i.e. 40% of £80,000.

To receive the maximum grant of £50,000, the application will need to include investments of a minimum £125,000. To reach the minimum grant threshold of £3,000, your project will need to invest a minimum of £7,500.

Your application may exceed the maximum grant, and if selected, the related claim is capped to the maximum £50,000.

Selecting Successful Projects

Each application is assessed on its potential value to the rural economy, the degree to which the investment will develop the business and the potential for long-term sustainability.

Key Requirements

The Contract for the project will be for a maximum of 12 months.

The Project would not proceed without grant assistance.

All items must be purchased in accordance with the Welsh Government Competitive Tendering and Procurement requirements. **See Section E for further details.**

Ensure all investments have been completed at the time you submit your claim.

Ensure all investments are on the premises at the time you submit your claim.

Applications must also demonstrate that the following have been addressed;

Planning Permission

If your investment requires planning consent, the payment of any grant will not be made until planning approval documents have been submitted and verified by the Welsh Government.

If the project has been considered by the planning authority not to require planning consent, you will need to provide evidence from the planning authority to confirm.

Sustainable drainage System (SuDS) Approving Body (SAB) approval

If your investment requires SAB approval, the payment of any grant will not be made until SAB approval documents have been submitted and verified by the Welsh Government.

For an overview of what requires SAB approval and for more detailed guidance, please visit the Welsh Government website at: [Sustainable drainage systems \(SuDS\): guidance](#).

If the project has been considered by the local SAB not to require SuDS, you will need to provide evidence from the SAB to confirm this. While SAB approval is independent of planning permission, the evidence you submit will be assessed by the appraisal team in a manner consistent with its processes relating to planning consent.

Some applications for construction with drainage implications which require approval by the SAB may not require planning permission from the local

planning authority (for example, permitted development less than 100 square metres). It should, therefore, not be assumed the absence of a requirement for planning permission would negate the need for SAB approval.

Other Consents

- You must ensure all other consents, licences and permissions have been granted where required
- You must ensure compliance with minimum standards and legislative requirements regarding the environment, hygiene, animal welfare and all relevant health and safety standards.

Section C: applying for the Agricultural Diversification Scheme

RPW Online

You can only complete an Application for the Agricultural Diversification Scheme by accessing Rural Payments Wales (RPW) Online. If you already have a Customer Reference Number (CRN) you should have received a letter informing you of your Activation Code to set up your account. If you no longer have this, please telephone the Customer Contact Centre on 0300 062 5004 (Monday – Thursday 8:30 – 17:00, Friday 8:30 – 16:30) and tell the operator your CRN. They will send you a new Activation Code.

To register your business details for the first time, you need to complete the online registration form. Please refer to the [how to register guidance](#) for further details. The vast majority of changes to business details can be done online. However, Welsh Government may require further details on any major changes.

Please contact the Customer Contact Centre for further information.

Once registered, you can access your [RPW Online account](#). The Agricultural Diversification application is available from the “Applications and Claims” section of your account.

Agents acting on behalf of a client will need to register as a Rural Payments Wales agent. If you have yet to do this, you are advised to complete an online or paper copy Agent / Farming Union Customer Details (Wales) form immediately. The form is available on the [Welsh Government website](#). Upon receipt of the form, we will send you an Agent Customer Reference Number (Agent CRN) and an RPW Online Activation Code. You will also need to complete an Association Authorisation Form which can be completed once you register with RPW Online, please refer to our [how to register guidance](#).

If you have any questions about registering for RPW Online or completing your application, please contact the Customer Contact Centre on 0300 062 5004. They will be able to provide advice, including the digital assistance that is available to you.

Further details regarding RPW Online are available on the [Welsh Government Website](#).

Section D: the two-stage assessment process

The application process will be in two stages. Applications submitted will be in direct competition with one another. At Stage 1, the following sections of the application will be assessed and scored against selection criteria:

- strategic fit
- suitability of investment

- long term sustainability
- value for money

Applications scoring the highest will be selected in ranked order until the funds available in that round have been allocated.

You will be notified whether or not your application has been selected via your RPW online account.

If selected, the application will progress to Stage 2 and the following sections will be assessed to complete the full appraisal of the application:

- project delivery
- Risk and Risk Management
- cross cutting themes
- indicators and outcomes
- financial and compliance

Submitting an application

Guidance on [how to submit your application via RPW Online is available at this link](#).

Eligibility queries relating to the scheme can be sent to:

AgriculturalDiversification@gov.wales

It is your responsibility to ensure the application is correctly completed and the information provided in support of your project is accurate.

You must complete the application in full and provide comprehensive documentation in support of the application to enable the Welsh Government to assess the project. Please ensure you follow the guidance as failure to do so may delay the appraisal.

As part of your application, you will be required to state for each capital item, which of the following criteria the item relates to:

- Development of an existing alternative livestock enterprise.
- Establishment of a new alternative livestock enterprise.
- Development of an existing alternative crop enterprise.
- Establishment of a new alternative crop enterprise.
- Development of an existing enterprise, adding value to a non-food agricultural product.
- Establishment of a new enterprise, adding value to a non-food agricultural product.
- Other agricultural diversification enterprise.

The plans and documents you must complete and submit include:

- Agricultural Diversification Scheme online application.
- Business plan (see requirements, below).
- 3 years of certified accounts. (If certified accounts are not available for the most recent financial period, management accounts should be submitted for this period.)
- 3 year financial projections. (The proposed investment should be accounted for in the financial forecasts.)
- Evidence of funding available. (Bank loan, overdraft, etc.)
- 3 quotes for each investment item. (Only one quote required for items with invoiced costs under £5,000.)
- Planning and Sustainable Drainage Systems (SuDS) approval, where available. If you do not have planning or SuDS approval, but they are required for the project to proceed, evidence of planning and SuDS approval will be required before any grant claim can be processed.

We will issue a maximum of 2 reminders for applications in draft via your RPW

Online account prior to the closing date.

Business plan requirements

The business plan should provide a holistic outline of your business. As a minimum, the plan should be for next 3 years and include the following:

- Business details
- Details of resources available, business activity and farming system.
- Recent financial performance. (With reference to certified / management accounts)
- Recent physical and financial performance of the diversification enterprise. (If applicable)
- Future objectives and investment proposals.
- Considerations and options appraisal for the future business and investment proposal.

For a diversification enterprise operated within a wider farming business, the plan should cover the whole business and explain how the diversification enterprise and wider agricultural enterprises are integrated.

The assessment will not commence until the application and **ALL** of the supporting documentation is received by the Welsh Government. You may provide other documentation and evidence in addition to the above to support your application.

Stage 1 – Assessment for Selection

For stage 1 appraisal of the Agricultural Diversification Scheme, all applications will be assessed against a set of selection criteria and scored using a scoring scale of 0 – 4 then multiplied by the associated weighting factor to give a total score.

The applications will be ranked in order of merit. Applications will be selected in ranked order until the funds available have been allocated. There is no guarantee all the funds will be allocated or all applications will be selected for stage 2 of the process.

Details of the selection criteria are set out below.

Business/Project Plan Section to be assessed	Score	Weighting factor
Strategic Fit	0 - 4	x 4
Suitability of investment	0 - 4	x 5
Long term sustainability	0 - 4	x 2
Value for money	0 - 4	x 3

No application will progress which scores less than the minimum quality threshold of 30.

A score of 1 or 0 (zero) in any of the selection criteria will prevent the application from being considered for selection for stage 2 of the process.

For each section, the assessment will be made on the basis of the information and explanations given.

Higher scores will be achieved by providing comprehensive explanations supported by examples of proposed activities and details of how those activities will be managed.

Lower scores will be awarded where explanations are simply statements of intent, for example, “we will hold meetings with stakeholders on a regular basis

throughout the project”.

Stage 1 application questions and assessment criteria:

Strategic Fit

For a project to meet the scheme Strategic Fit, applicants will need to demonstrate how the proposed investment will contribute to the strategic aims and objectives of the scheme and demonstrate why the investment is required.

Applicants who can demonstrate clear links between the investment and strategic aims and who have detailed how the investment priority was established will receive a higher score.

Score

- | | |
|---|---|
| 4 | A clear explanation and evidence is given of how the anticipated investment responds to the scheme objectives. A full and comprehensive description of the project is provided. |
| 3 | Strong evidence is provided which demonstrate the anticipated investment responds to the scheme objectives. A full description of the project is provided. |
| 2 | Some evidence is provided to demonstrate how the anticipated investment responds to the scheme objectives. A description of the project is provided. |
| 1 | Evidence provided does not demonstrate fully how the anticipated investment responds to the scheme objectives. Gaps in the description of the project. |
| 0 | No evidence is provided to show how the investment meets the scheme objectives. |
-

Suitability of investment

Resource efficiency is crucial in order to help achieve a Well-being economy, as well as reducing emissions. For a project to meet these criteria, applicants are required to demonstrate how their planned investment will support the business to grow sustainably and, where appropriate, explain how the investment will have a positive impact on the environment, including enhancing water, soil and air quality, make better use of nutrients, reduce emissions and enhance the farm ecosystem.

Score

- 4 A clear explanation is given, including evidence of how the anticipated investment responds to climate change. The application demonstrates how the investment enhances water, soil and air quality. Evidence shows the investment improves the use of nutrients, reduces emissions and enhances the farm ecosystem.

- 3 Strong evidence is provided which demonstrates how the anticipated investment responds to climate change. The application details how the investment enhances water, soil and air quality. The investment contributes to improving the use of nutrients, reducing emissions and enhancing the farm ecosystem.

- 2 Some evidence provided to demonstrate how the anticipated investment responds to climate change. The application provides limited details of how the investment enhances water, soil and air quality. The investment provides a small contribution to improving the use of nutrients, reducing emissions and enhancing the farm ecosystem.

- 1 Evidence provided to demonstrate how the anticipated investment responds to climate change is weak or minimal. The application does not detail how the investment enhances water, soil and air quality. The investment does not contribute to improving the use of nutrients, reducing emissions or enhancing the

Score

farm ecosystem.

- 0 No evidence is provided to show how the investment considers the impact on the environment.
-

Long term sustainability

Projects that provide long-term financial benefits and security to the business will be prioritised. Applications that demonstrate sustained benefits to the business and deliver employment opportunities, both additional paid job opportunities and maintaining current employment will score highly. Investments could also “future proof” the business, enabling activity to continue in response to current or emerging market or environmental pressures.

Projects that are catalysts for further investments, e.g. developing infrastructure to enable further production which result in higher-value products would receive a higher score. Where an investment is part of a phased investment plan, this should be detailed.

Score

- 4 A clear explanation is given, including evidence, of how the anticipated investment provides long-term financial benefits and security to the business.

The investment creates additional employment. The applicant will also demonstrate how the investment is a catalyst for further business development and investment in the short-term.

Score

- 3 Strong evidence is provided detailing how the anticipated investment provides long-term financial benefits and security to the business. Current employment is secured. The applicant demonstrates how the investment is a catalyst for further business development and investment in the medium-term.
-
- 2 Some evidence is provided detailing how the anticipated investment provides long-term financial benefits and security to the business. There is some evidence to demonstrate how the investment is a catalyst for further potential business development and investment in the long-term.
-
- 1 Evidence provided detailing how the anticipated investment provides long-term financial benefits and security to the business is weak or minimal. The project does not result in new job creation and does not secure current employment. The applicant has not demonstrated how the investment is a catalyst for further business development and investment.
-
- 0 No evidence is provided to demonstrate that the investment has a positive impact on the long-term sustainability of the business.
-

Value for money

Projects are required to evidence value for money. Projects will be given a score based on the forecasted impact on profitability expected within three years of completion of the project.

This can be as a result of increasing overall output and turnover, resulting in increased profit, or as a result of production efficiencies which result in higher margins while output and turnover remain unchanged.

Value for money assessment will be based on forecasted increase in

profitability within three years of completion (a), divided by requested grant value (b).

e.g. a project forecasting an annual increase in profit of £100,000 within three years of completion of the project and requesting a grant of £20,000 would have a (a/b) value of 5.0. A project forecasting an increase in profit of £50,000 within three years of completion of the project and requesting a grant of £40,000 would have a (a/b) value of 1.25.

The (a/b) values for all projects in the window will result in a score being allocated as shown below:

	Score
Forecasted increase in profit/grant (a/b) 1.6 or more	4
Forecasted increase in profit/grant (a/b) between 1.1 and 1.5	3
Forecasted increase in profit/grant (a/b) between 0.5 and 1.0	2
Forecasted increase in profit/grant (a/b) between 0.1 and 0.4	1
Forecasted increase in profit/grant (a/b) less than 0	0

There are three possible outcomes from the Stage 1 appraisal:

1. Your application is not eligible for the grant.
2. Your application is not selected for stage 2 assessment of the application.
3. Your application is successful at stage 1 for selection and will proceed to full

appraisal.

If you are not selected, but your application meets the minimum threshold, we will inform you via your RPW on-line account that you have not been selected but your application will be held in reserve.

Successful Stage 1 Selection

If your application is selected, you will be notified via your RPW Online account. You must either accept or decline the selection by completing and returning the Application Annex included with your selection notification letter to the Welsh Government via your online account by the date given in your letter.

We will issue a reminder via your RPW Online account prior to the deadline date in your letter.

If you accept selection, your application will progress to Stage 2 of the appraisal process.

The selection letter does not allow you to start work on the Project. You must not start any work until you are offered a Contract via your RPW Online account. Any projects which breach this rule will not be considered for support.

If you do not accept selection, or do not reply to the Welsh Government by the date in the letter, your application will not progress further and the offer of selection will be withdrawn.

If your application does not meet the scheme eligibility criteria or is not selected, you will be notified via your RPW Online account.

Stage 2 – Full appraisal of the application following selection

If selected and the selection offer is accepted, the application will progress to

Stage 2 and the following sections will be assessed to complete the appraisal of the application and consideration of offer of a grant:

- project delivery
- risk and risk management
- financial and compliance
- indicators and outcomes
- Cross cutting themes

The indicators and outcomes that will be monitored as a result of the investment are:

- number of businesses supported
- number of jobs created or safeguarded
- impact on the turnover of the business

The application will also ask you to explain how your project will contribute towards the Welsh Governments cross cutting themes of:

- Equality of opportunity and Gender mainstreaming
- Tackling Poverty and Social Exclusion
- Welsh Language

The application will be appraised in accordance with the Scheme Guidance and eligibility rules. It will be subject to full due diligence (where required), appraisal and eligibility checks and only at that point will a final decision be taken to offer a grant or reject the application. There is no guarantee that a project proposal will be approved for a grant. We will aim to complete the appraisal of the application within 90 days of the window closing. Appraisal of complex applications may take longer. If you delay replying to requests for further information this will extend the time taken to complete appraisal of your application.

Stage 2 Assessment Scoring

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For the stage 2 appraisal the information provided in the remaining 5 sections will be assessed against the following rating criteria from which a decision can be taken about the award of grant assistance to the project:

- High: The applicant has provided robust and detailed responses against all of the evidence requirements
- Medium: The applicant has provided satisfactory and detailed responses against most of the evidence requirements
- Low: The applicant has provided potentially incomplete or insufficient responses against one or more of the evidence requirements

The quality threshold is a rating of Medium across all nine categories. If the application does not meet this requirement, you may be requested to provide further information. If a Medium rating cannot be achieved the project will be rejected.

Please note that if further information is required this may delay the appraisal of the application so we recommend you follow the guidance carefully in order to provide the information requested.

There are two possible outcomes from Stage 2 appraisal:

1. Your project is ineligible and is not approved for a grant award. You will be informed of the reasons why your application was not successful via your RPW Online account. You may apply again with the same project, should further application windows open (amending the application if you wish), **but only if you have not started any work on the project.**
2. Your project is eligible and is approved for an award. A contract will be issued to you via your RPW Online account setting out the terms and conditions of the award which you will be asked to accept as agreement that you accept the terms and conditions therein. The contract will also provide you with the authority to start work. **You must accept or decline the offer**

of contract within 30 days. Failure to accept the contract within 30 days will lead to the contract being withdrawn.

We will issue a reminder via your RPW Online account prior to the acceptance deadline date.

If you decide to withdraw from the contract prior to completion or if you do not purchase all of the items approved in your contract, you will not be able to apply for the Agricultural Diversification Scheme in the next round and may be required to repay any payments received.

You can withdraw your application at any time prior to a contract being awarded without it impacting on any future applications for the Agricultural Diversification Scheme.

Subject to the requirements of the Welsh Government's Code of Practice on Public Access to Information, the Freedom of Information Act 2000 and the Environmental Information Regulations 2004: all information given to the Welsh Government will be treated in strict confidence. You should be aware that if successful, the Welsh Government reserve the right to publish the name of your company, the amount of grant you were awarded and a summary of your project.

Section E: conditions of grant

The Agricultural Diversification Scheme is subject to a range of relevant legislation (see Section K). The Welsh Government and the applicant / recipient must act in accordance with that legislation.

The offer of a Agricultural Diversification grant is made subject to terms and conditions, which will be set out in full in your contract and include those set out

below. The contract will commence from the date the contract is issued. **Failure to meet the terms and conditions of the award could result in the cancellation of your award and / or the recovery of sums already paid, or a reduction of the amount of grant payable.**

Conditions:

The award is made on the basis of statements and declarations made by you or your representatives in the application form and the claim form and any subsequent correspondence. **The making of false or misleading statements is an offence.**

You must not begin any work on the project without first obtaining written authority to do so from the Welsh Government. You must have bought the equipment and contacted RPW via RPW Online by the claim deadline within the contract offer. **If you have not contacted RPW within that time, the grant offer will be automatically rejected.**

The Welsh Government may need to update the rules and conditions to take account of changes to the UK's legislative requirements, including the Government of Wales Act 2006.

You must meet any legal obligations imposed and UK law.

No alterations may be made to the project, including the location of the activity, without the written approval of the Welsh Government.

You agree to abide by any changes following notification by the Welsh Ministers.

Equipment purchased with grant aid may not be disposed of, transferred or sold during the project and for five years from the contract end date without the prior written consent of the Welsh Government. The grant awarded must be re-paid in

full.

You are required to read and understand the relevant scheme rules and guidance notes.

You have given details that are true, accurate and complete to the best of your knowledge and belief on the applications and any supporting documentation.

You acknowledge that neither the Welsh Government, nor any adviser appointed by the Welsh Government, shall be responsible for any advice given, including, without limit, any advice given in relation to the applications and that you are solely responsible for all business decisions undertaken.

You are required to comply with the rules on eligible costs as detailed in the Scheme Guidance Notes.

Projects should be completed within the timetable agreed with the Welsh Government. You should not deviate from this without prior written agreement from the Welsh Government.

Claims must be submitted via the RPW Online Grants Claim application and be supported by all supporting documents as required by the scheme.

Grant can only be paid on expenditure that has been defrayed, that is, on payments that have cleared from a bank account.

All items must be purchased in accordance with the Welsh Government Competitive Tendering and Procurement requirements.

You undertake to meet any obligations in relation to obtaining planning permission, where necessary.

You must confirm none of the items covered by the application are replacements under an insurance claim.

You must provide confirmation that no other public funding has been sought. If it is found you have received public funding from another source your claim may be rejected, payments may be recovered and penalties may be applied.

Records concerning the application and claim for this grant, including all original invoices and any other related documents, must be retained for at least five years after the project end date.

You must undertake to meet any statutory obligations such as Health and Safety; employment; hygiene; environmental management and protection; animal or crop health and welfare that apply during the time of this project.

You must allow representatives of the Welsh Government, the Auditor General for Wales, or their representatives, to access and inspect land and any relevant equipment. On request, you must provide them with information and / or access to original documentation in relation to the project.

The information provided in the application and any supporting documentation is subject to the requirements of the Welsh Government's Code of Practice on Public Access to Information, the Freedom of Information Act 2000, and the Environmental Information Regulations 2004.

You should be aware that, if successful, the Welsh Government reserve the right to publish the name of your business or company, the amount of grant you were awarded and a summary of your project.

The information provided in the application is subject to the Privacy Notice. The Privacy Notice explains the Welsh Government's processing and use of your personal data and your rights under the General Data Protection Regulation (GDPR).

Section F: competitive tendering and

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procurement

You must follow the Welsh Government guidance and requirements for Competitive Tendering & Procurement Technical Guidance Notes via the following:

- [Competitive Tendering and Public Procurement - Technical Guidance Notes](#)
- [Competitive Tendering and Public Procurement - Register and Record](#)

Section G: payments

Claims

The Agricultural Diversification Scheme is only available to claim using the Grants Claim page on your RPW Online account. Payment will be made following the successful validation of your claim. Claims will only be paid when the Welsh Government is satisfied the relevant expenditure has taken place and that the work has been completed according to plan. Payment will be made by electronic transfer to your bank account.

You can submit more than one claim, but each claim must be for an item. E.g. if you have been awarded a contract to purchase two items; water harvesting equipment and a harvester, you could submit separate claims for each item, but you cannot submit a claim for part of the costs of one item.

In order to receive Agricultural Diversification payments, you must:

- Have accepted an Agricultural Diversification Scheme contract within 30 calendar days of the offer date and adhere to all the requirements

- Ensure you have only purchased items listed in your contract after you have been offered a contract
- Ensure you have purchased **all** of the items listed in your contract before 31 March 2024
- Ensure all items are purchased in accordance with the Welsh Government Competitive Tendering and Procurement requirements
- Ensure all items purchased are on the premises at the time you submit your claim
- Submit the claim using the Grant Claim page on your RPW Online account by the claim deadline – **31 March 2024**, we will issue a maximum of 2 reminders for any outstanding claims via your RPW Online account prior to the closing date
- Submit invoices for all claimed items
- Submit evidence of defrayment of expenditure for all claimed items
- Submit Geo-tagged photographs of the items on your premises
- Submit evidence of planning permission and SuDS approval, if required.

A claim is not considered valid unless it has been submitted via the Grants Claim page and until all supporting documentation has been submitted.

You can submit your claim at any time once the investment has been completed. Claims received will be processed for payment **from 1 April 2023**.

Requests for extensions to the claim deadline can only be accepted in exceptional circumstances and must be explained and received in writing via your RPW Online account as soon as possible and before the claim deadline.

Supporting documentation

You must submit the following with your claim:

- Evidence of defrayment of expenditure for all claimed items.

- Invoices for all claimed items.
- Geo-tagged photographs of the items on your premises

Where evidence cannot be provided, the claim will be rejected.

Invoices must clearly display the word 'invoice' on the document and include the following:

- a unique identification number
- your company name, address, and contact information
- the invoicing company name and address
- a clear description of what you are being charged for
- the date the goods or service were provided (supply date)
- the date of the invoice
- the amount(s) being charged
- VAT amount if applicable
- the total amount owed

Defrayment should be evidenced by bank statements. If the value of the transaction does not match the invoice value (for instance if you have bought non project items from the same supplier) a breakdown of the whole payment with supporting invoices will be required.

If making payments by cheque, then a scan or photograph of the written cheque, before it is presented to the supplier, will be required in addition to the bank statement.

A geo-tagged photograph includes location information within the photograph data. Most mobile phones with an internet connection and a camera will record GPS coordinates automatically. They also record the date and time the photograph was taken.

Detailed guidance on the geo-tagged photographs required and how to submit

geo-tagged photographs specific to the Agricultural Diversification Scheme will be available on the Welsh Government website at the claim stage.

You can submit the invoices and evidence of defrayment by scanning them and sending them via “My Messages” in your RPW Online account.

Incorrect claims and penalties

It is your responsibility to make sure the claim submitted is eligible and accurate, it is only for defrayed expenditure (the money has gone from your bank account), all the items and costs are eligible, and the claim is submitted on time.

All of the items approved must have been purchased **after the contract has been offered**.

Your claim is incorrect if:

- You have bought investment items before the contract is offered.
- You have not bought all of the items listed in the contract.
- You have bought items not included in your contract.
- You have not submitted a claim and supporting documents by the claim deadline.
- Not all the items claimed are present on your holding at a visit to your premises.

You must claim for all of the items listed in your contract.

If all items are not claimed, the contract will be terminated and any payments made may be recovered.

If the amount of ineligible items is determined to be more than 10% of the eligible costs, an amount equivalent to the value of ineligible items will be deducted from your payment.

It is essential, if you have any doubts about anything you need for your project, you request written confirmation of its eligibility before you incur the costs.

Offences

Regulation 13 of the Rural Development Programmes (Wales) Regulations 2014 (No. 3222 (W.327)) establishes criminal offences and penalties in relation to certain aspects of rural development funding. That Regulation and those offences are applicable to the Agricultural Diversification Scheme. Examples of offences include knowingly or recklessly providing false or misleading information in relation to rural development funding, obstructing an inspector or official, and refusing to provide information when requested to do so.

Section H: changes to scheme rules

Legislation Changes (Including Changes in Interpretation)

Legislation may change from time to time, and you will be required to abide by any changes to the scheme rules following notification from the Welsh Government.

Changes to Scheme Rules or Contract

We may need to make changes to the scheme rules and/or your contract for a number of reasons. For example, we may need to update the management conditions to take account of the latest scientific advice, amend scheme rules to take account of any changes to legislation. We will publicise changes on the [Welsh Government website](#) and where necessary contact you directly.

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Section I: controls, monitoring and record keeping

Controls

The Welsh Government must enforce the Agricultural Diversification Scheme rules.

Your claim may be selected for a visit to verify the realisation of the investment before the payment is made to you or it may be selected for a visit after the payment has been made.

All the details in your application, the details in your claim and the declarations that you made in submitting the application and claim will be checked.

The Welsh Government and the specialist control bodies will try to ensure that visits cause you the minimum of disruption, but some checks require visits to be unannounced, which means it may not be possible to give you notice. You may be subject to more than one visit during a calendar year.

If you refuse to allow a visit or obstruct an officer or fail to give reasonable assistance, your claim may not be paid, we may recover payments and you may be prosecuted.

Monitoring

It is a requirement that all grant awards are monitored and the effect of the grant on the business is evaluated following completion.

You must allow officials from the Welsh Government, or their representatives, to inspect the items purchased within this five-year period.

Site visits will be made on a percentage of the projects approved within five years following final completion (Project End Date) to ensure the applicant still has and is using the equipment purchased with the grant and that the business is performing as expected.

It will be a requirement of the grant award that equipment purchased with the aid of a grant must be kept in situ, operational and in good repair, and used for the same purpose as set out in the original application, for at least five years from the date of completion of the project as set out in the contract. This is to ensure the longevity of the project and to guarantee primary producers a lasting share of the project's benefits.

Record keeping

You must keep all records and information you need to evidence that you have provided complete and accurate information and have complied with your undertakings for five years.

You will also be required to:

- supply to the Welsh Government any information about your Agricultural Diversification contract and supply that information within the period determined by the Welsh Government.
- make available to the Welsh Government, its authorised persons or its agents, records, accounts, receipts, and other information including access to computer data relating to your Agricultural Diversification contract. Permit the Welsh Government to remove any such document or record to take copies or extracts from them.

Section J: appeals and complaints procedure

Appeals procedure

The 'Independent Appeals Process for Rural Grants and Payments' allows you to request a review if you feel the Welsh Government has not reached a correct decision according to the rules of the scheme. The process will **not** review decisions concerning **Stage 1 – Assessment for Application**

The appeals process consists of two stages:

- Stage 1: review by RPW
- Stage 2: review by an Independent Appeals Panel (if you are dissatisfied with the Stage 1 response).

The Independent Panel make recommendations to the Welsh Ministers, who take the final decision, which concludes the process.

There is no charge for Stage 1 of the process, but there is a charge at Stage 2 – £50 for a written hearing or £100 for an oral hearing. These charges are repaid in full if the Stage 2 appeal is either partially or fully successful.

Appeals, including supporting evidence, must be submitted via RPW Online within 60 days of the date of the letter outlining the decision you wish to appeal against.

We welcome receiving appeals in Welsh and will respond to any correspondence in Welsh. This will not lead to a delay in processing your appeal.

Further details of the appeals process and how to submit an appeal using the online appeal form, can be obtained from the Customer Contact Centre or our

website at: [Rural grants and payments appeals | Sub-topic](#)

Complaints procedure

Complaints will be dealt with under the Welsh Government's procedure on Complaints. Further advice on how to make a complaint can be obtained from the Complaints Advice Team:

Welsh Government
Crown Buildings
Cathays Park
Cardiff
CF10 3NQ

Tel: 03000 251378

E-mail: complaints@gov.wales

Website: [Complaints about Welsh Government](#)

Rydym yn croesawu galwadau'n Gymraeg / We welcome calls in Welsh

You may also choose to contact the Public Services Ombudsman for Wales:

1 Ffordd yr Hen Gae
Pencoed,
CF35 5LJ

Tel: 0300 790 0203

Website: [Ombudsman](#)

Section K: Privacy Notice: Welsh Government grants

How we will handle any personal data you provide in relation to your grant application or request for grant funding.

The Welsh Government provides a wide range of grant schemes to help deliver our policies and create a fairer, more prosperous Wales.

The Welsh Government will be data controller for any personal data you provide in relation to your grant application or request for grant funding. The information will be processed as part of our public task (i.e. exercising our official authority to undertake the core role and functions of the Welsh Government) and will help us assess your eligibility for funding.

Before we provide grant funding to you, we undertake checks for the purposes of preventing fraud and money laundering, and to verify your identity. These checks require us to process personal data about you to third party fraud prevention agencies.

If we, or a fraud prevention agency, determine that you pose a fraud or money laundering risk, we may refuse to provide the grant funding you applied for, or we may stop providing existing grant funding to you.

A record of any fraud or money laundering risk will be retained by the fraud prevention agencies, and may result in others refusing to provide services, financing or employment to you.

In order to assess eligibility, we may also need to share personal information relating to your application with:

- Natural Resources Wales

- Animal and Plant Health Agency
- Veterinary Medicine Directorate
- Welsh Local Authorities
- Food Standards Agency Wales
- DEFRA
- other UK Government Agriculture Offices
- regulatory authorities, such as HM Revenue and Customs, Local Authorities, Health and Safety Executive and the Police.

We may also share your information with organisations which deliver training, knowledge transfer and innovation advice and support on behalf of the Welsh Government for the purposes of appropriate targeting of support.

Your information, including your personal information, may be the subject of a request by another member of the public. When responding to such requests the Welsh Government may be required to release information, including your personal information, to fulfil its obligations under the Freedom of Information Act 2000, the Environmental information Act 2004 or the Data Protection Act 2018.

The Welsh Government will publish details of the amounts paid to Rural Support beneficiaries. Data will be published for all beneficiaries on a searchable website and will include the name and locality of the farmer/land manager and details of the amounts and schemes for which subsidy has been paid. However, for those receiving less than the equivalent of £1,250 in subsidies the name will be withheld. The data will be published annually on 31 May and remain available for two years from the date it is published. The information will be available on the Defra website at: <https://cap-payments.defra.gov.uk/Search.aspx>

We will keep personal information contained in files in line with our retention policy. If successful in your application, then your personal data will be kept for 7 years after the date when you, as grant recipient, are free from all conditions relating to the grant awarded and all payment have been made. If you are

unsuccessful, your details will be kept for one year after the date you provided them.

Under the data protection legislation, you have the right:

- to access the personal data the Welsh Government holds on you
- to require us to rectify inaccuracies in that data
- to (in certain circumstances) object to or restrict processing
- for (in certain circumstances) your data to be 'erased'
- to lodge a complaint with the Information Commissioner's Office (ICO) who is the independent regulator for data protection.

For further details about the information the Welsh Government holds and its use, or if you want to exercise your rights under the GDPR, please see contact details below:

Data Protection Officer
Welsh Government
Cathays Park
CARDIFF
CF10 3NQ

Email: dataprotectionofficer@gov.wales

The contact details for the Information Commissioner's Office are:

2nd Floor, Churchill House
Churchill Way
Cardiff
CF10 2HH

Telephone: 0330 414 6421

Website: <https://ico.org.uk/>

Should you have any queries regarding this privacy statement please contact the RPW Customer Contact Centre.

<https://gov.wales/privacy-notice-welsh-government-grants>

Section L: legislation

The Agricultural Diversification Scheme delivers against a range of Government commitments and objectives, these are listed below along with the legislation and governance that applies.

The Agricultural Diversification Scheme is governed by Retained EU Law (REUL) Council Regulations No. 1305/2013, 1303/2013 and 1306/2013, Implementing Regulation No. 808/2014 and No. 809/2014 and Delegated Regulation 640/2014 and 807/2014 (all as amended from time to time).

The Retained EU Law is implemented in Wales through the following domestic law (all as amended from time to time), including by the Agricultural Support (Miscellaneous Amendments) (Wales) (EU Exit) Regulations 2021/400 (W.129):

- The Rural Development Programmes (Wales) Regulations 2014/3222 (W.327)
- The Common Agricultural Policy (Integrated Administration and Control System and Enforcement and Cross Compliance) (Wales) Regulations 2014/3223 (W.328)

Funding support for farmers, land managers and associated rural sectors over the next 3 years in response to four Welsh Government strategic objectives which are:

- Fostering the competitiveness of agriculture.
- Contributing towards the sustainable management of natural resources as

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set out in Part 1 of the Environment (Wales) Act 2016.

- Ensuring climate resilience.
- Achieving a balanced territorial development of rural economies and communities including the creation and maintenance of employment.

In addition, there are three cross cutting objectives for the Agricultural Diversification Scheme:

- climate change mitigation and adaptation
- innovation
- environment

Your project will contribute to these cross-cutting objectives.

Your project will contribute towards the Welsh Governments cross cutting themes of:

- equality of opportunity and Gender mainstreaming
- tackling Poverty and Social Exclusion
- Welsh Language

In addition, applications for the Agricultural Diversification Scheme will address the strategic and thematic objectives of the Welsh Government.

Activities will address **at least one** of the following Welsh Government priorities:

(1) Fostering knowledge transfer and innovation in agriculture, forestry, and rural areas.

(2) Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests.

(3) Promoting food chain organisation, including processing and marketing of

agricultural products, animal welfare and risk management in agriculture.

(4) Restoring, preserving and enhancing ecosystems dependent on agriculture and forestry.

(5) Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in the agriculture, food, and forestry sectors.

(6) Promoting social inclusion, poverty reduction and economic development in rural areas.

World Trade Organisation and Subsidy Control

1. Subsidies provided under this scheme are considered to be payments under Paragraph 11: Structural adjustment assistance, which fall within the scope of Annex II of the WTO Agreement on Agriculture (AoA) and have been classified as 'green box'.

2. As such, these subsidies are exempt from the UK-EU Trade and Cooperation Agreement (TCA) and the interim UK subsidy control regime.

Section M: contacts

Enquiries – Customer Contact Centre

For all enquiries, please contact the **RPW Customer Contact Centre**

Enquiries can be submitted via RPW Online at any time.

Access to Welsh Government offices for people with

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disabilities or special needs

If you have any special needs which you feel are not met by our facilities, contact the Customer Contact Centre on 0300 062 5004. Welsh Government officials will then endeavour to make arrangements to accommodate your requirements.

Welsh Government Website

For all the latest Agricultural and Rural Affairs information, visit the [Welsh Government's website](#). By visiting the website, you can also sign up to receive the Rural Affairs e-newsletter which delivers the latest news directly to your e-mail inbox.

Gwlad

Gwlad is the Welsh Government's e-newsletter for farm and forestry businesses and all those involved with agriculture and rural Wales. It contains news stories, guidance and information in an accessible, easy-to-read format. To keep informed and up to date with all the latest agriculture news and developments in future, we would encourage you to sign up to receive the Gwlad e-newsletter. You can do this either at www.gov.wales/news-alerts or at <https://beta.gov.wales/subscribe-farming-and-forestry-news-gwlad>.

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