



Cronfa Amaethyddol Ewrop ar
gyfer Datblygu Gwledig;
Ewrop yn Buddsoddi mewn Ardaloedd Gwledig
European Agricultural Fund for
Rural Development;
Europe Investing in Rural Areas

Llywodraeth Cymru
Welsh Government



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Welsh Government Rural Communities – Rural Development Programme 2014-2020

Food Business Investment Scheme

Guidance Notes

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INTRODUCTION

1. These Guidance Notes explain the **Food Business Investment Scheme (FBIS)** and the kind of projects that may qualify for grant aid. Please read it carefully. If you then consider your investment plans may qualify for grant and you want to apply for support under this scheme, please see 'How to Apply' section below.
2. The FBIS is an important element of the Welsh Government Rural Communities – Rural Development Programme 2014-2020. It is designed to help primary producers of agricultural products in Wales to add value to their outputs by providing support to those businesses that do first and/or second stage processing activities. It is also designed to improve the performance and competitiveness of their businesses; to respond to consumer demand; to encourage diversification and to identify, exploit and service new emerging and existing markets.
3. The FBIS covers capital investments in processing equipment along with some associated costs and supports projects that offer clear and quantifiable benefits to primary producers, either directly or indirectly, in the agriculture sectors providing the raw materials. Micro, Small or Medium Enterprises (SME's) are a particular priority for support.
4. The FBIS covers processing where the inputs are at least 90% eligible agricultural products as defined by Annex 1 of TFEU¹ (see separate technical guidance for more information) sourced from within the EU. The processing of cotton is also eligible but not the processing of fisheries products.
5. Applicants must demonstrate either direct or indirect benefits to the primary producers or growers providing the raw materials that are the inputs for the processing and that an adequate and lasting share of the wider economic benefits will accrue to primary producers.
6. Applicants must also demonstrate that a viable market has been identified for their product(s) and that the project would not proceed without the grant. The scheme is discretionary and the amount of grant offered would relate to individual circumstances and would always be the **minimum amount necessary** to allow the investment to go ahead.
7. The grant can be used to improve and develop processing facilities, e.g. to erect new buildings; refurbish old premises and to buy eligible new or second hand equipment (certain conditions apply). This is only a very brief indication of the projects that might be supported; more examples are shown in Annex A.
8. This is only an outline to the scheme and the way it is operated, the detailed rules for eligibility criteria may be subject to change.

¹ Consolidated version of the Treaty of the Functioning of the European Union (OJ 326, Annex 1, p. 287-289).

WELSH GOVERNMENT – CONTACT DETAILS

9. For all enquiries please send an e-mail to the following address:

foodBIS@gov.wales

STRATEGIC AND THEMATIC OBJECTIVES

10. Activities under the FBIS must address at least one of the following Welsh Government Rural Communities – Rural Development Programme 2014-2020 Focus Areas:

Focus Area 1. Fostering knowledge transfer and innovation in agriculture and rural areas

1(a) fostering innovation and the knowledge base in rural areas

1(b) strengthening the links between agriculture and forestry and research and innovation.

Focus Area 2. Enhancing competitiveness of all types of agriculture and enhancing farm viability

2(b) facilitating generational renewal in the agricultural sector.

Focus Area 3. Promoting food chain organisation and risk management in agriculture

3(a) better integrating of primary producers into the food chain through quality schemes, promotion in local markets and short supply circuits, producer groups and inter-branch organisations

3(b) supporting farm risk management.

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

5(a) increasing efficiency in energy use in agriculture and food processing

5(b) facilitating the supply and use of renewable sources of energy, of by products, wastes, residues and other non-food raw material for purposes of the bio-economy.

Focus Area 6. Promoting social inclusion poverty reduction and economic development in rural areas

6(a) facilitating diversification, creation of new small enterprises and job creation

6(b) fostering local development in rural areas

6(c) enhancing accessibility to, use and quality of information and communication technologies (ICT) in rural areas.

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11. All projects supported through the FBIS must make a contribution to the overarching Food Strategy Action Plan - Towards Sustainable Growth: An Action Plan for the Food and Drink Industry 2014 – 2020 and one or more of the following thematic objectives;

- promoting and developing a growing and vibrant food and drink sector in Wales
- continuing to develop a green image based on sustainable production methods
- further building resilience into the industry to withstand market changes
- driving improvements in food safety and security
- promoting technological innovation in both product and processes
- providing career opportunities at varying skill levels.

WHO CAN APPLY

12. The scheme is open to applications from a wide range of businesses involved in primary and/or secondary processing of agricultural products, such as:

- sole traders
- voluntary sector organisations
- private and public limited companies (SME and Large Enterprises)
- farm businesses that want to process their own agricultural products
- new businesses, including start-up businesses.

DEFINITION OF A SME

13. A SME is an undertaking that employs less than 250 employees (based on full-time equivalents) and has an annual turnover not exceeding 50 million euros and/or an annual balance sheet total not exceeding 43 million euros. Part-time staff and seasonal workers should be treated as a fraction of a full time equivalent.

- SMEs consist of 3 sub-categories of enterprises: micro, small and medium;
- micro enterprises employ less than 10 employees, small enterprises less than 50 employees, medium enterprises less than 250 employees;
- the size of the enterprise also refers to the annual turnover and annual balance sheet total in certain situations.

For a full definition please refer to the European Commission user guide and model declaration, 'The new SME definition'².

² European Union, (2015), User guide to the SME definition, European Union, Belgium, (which is derived from): Commission Recommendation (EU) of 6th May 2003 concerning the definition of micro, small and medium-sized enterprises (OJ 124, 20.5.2003, Annex 1, p. 4-6)

DEFINITION OF AGRICULTURAL PRODUCTS

14. The input to the processing activities must be agricultural products as defined by Annex 1 of TFEU (see separate technical guidance for more information) sourced from within the EU.
15. However in certain cases added value can be created for primary agricultural products by adding some non-EU sourced products (for example cocoa beans) and/or by incorporating some non-agricultural products (for example rusks as a binding agent). Therefore the inputs to the processing activities must be at least 90% eligible agricultural products sourced from within the EU and so the additional inputs cannot exceed 10%. The percentages must be determined on the total annual production figures on either a fresh weight or value basis. Once the methodology has been agreed this cannot be changed later.
16. Most common agricultural products fall within this definition including red meat (in particular; beef, lamb, and farmed venison); pig meat; milk and milk products; eggs; poultry; cereals; oil producing crops; fruit and vegetables (including potatoes); hops; honey; non-food crops including horticultural flowers and plants; seeds; and some novel agricultural products.

See separate technical guidance notes for more information.

ELIGIBLE ACTIVITIES

17. Support under this scheme covers tangible and/or intangible investments in processing activities for agricultural products covered by Annex 1 Treaty on the Functioning of the European Union (TFEU) or cotton but excluding fisheries products.
18. The inputs of the processing activity must be at least 90% eligible agricultural products sourced from within the EU (see previous section).
19. The output of the processing can be any kind of product, for example, other agricultural products such as cheese, flour, yoghurt; other food products such as a ready meal; animal feed products; pet food products; other functional food products; nutraceutical products; and non-food use products such as bio-plastics.

INELIGIBLE ACTIVITIES

20. There are a number of investments and products that are not eligible for aid:
 - projects involving the processing of fisheries and aquaculture products
 - projects involving the processing of non-EU sourced raw materials
 - projects involving processing where the inputs are non-agricultural products
 - investments at the retail level – defined as the purchase of goods for re-sale or the delivery of an added-value service at the point of delivery such as restaurants, cafes and fast food outlets, including mobile outlets

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- investments to replace items previously purchased with EU or Welsh Government grant assistance (within the same business)
- investments in warehousing, storage, transport and/or distribution logistics
- projects involving contract processing (whether or not of eligible agricultural products) where the value being added is not realised by the applicant and/or the applicant does not own the product being processed
- projects involving the production, processing, distribution and usage of biomass crops
- projects involving the production of food based biofuels
- products for which no realistic normal market can be demonstrated;
- projects involving intervention stores
- warehousing and/or freezer and cold stores for finished products as a separate investment that does not include processing activities
- upgrades to premises and/or equipment to meet requirements arising from statutory enforcement action
- projects involving the manufacture of products which imitate or substitute for milk and milk products
- projects involving the manufacture of baby milk powder and/or milk replacement products
- projects involving processing activities in the sugar sector.

ELIGIBLE COSTS

21. Support under this scheme can cover tangible assets such as land, buildings, machinery and equipment and intangible assets such as computer software, patent rights and licences and technical and consultancy fees;

- (a) the construction, acquisition, or improvement of immovable property, with land only being eligible to an extent not exceeding 10 % of the total eligible costs of the investment project
- (b) the purchase of machinery and equipment up to the market value of the asset
- (c) general costs linked to expenditure referred to in points (a) and (b), such as architect, engineer and consultation fees, fees relating to advice on environmental and economic sustainability to an extent not exceeding 12% of the total eligible costs of the investment project
- (d) acquisition or development of computer software and acquisitions of patents, licenses, copyrights, trademarks.

22. Consultant's and architect's fees, other technical design costs, site surveys and professional fees; planning application fees and costs; fees incurred for statutory permissions, licences and consents are also eligible even if they have been completed and paid for prior to approval provided they are essential for the delivery of the project.

23. Second hand equipment is eligible (for SMEs only) where the applicant can demonstrate the following:

- it complies with current health and safety legislation

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- is fit for purpose
- has at least five years life expectancy remaining.

INELIGIBLE COSTS

24. The following items are examples of expenditure which are **not eligible** for grant aid. This is not a definitive list and all items of expenditure will be considered on a case by case basis:

- purchase of land, including associated expenses, where the costs exceed 10% of the total investment
- purchase of buildings which have previously been used for the same purpose
- any physical works on site carried out before the authorised start of work date **(any such work carried out renders the whole award liable to cancellation)**
- temporary works not **directly** related to the execution of the project
- purchase of vehicles for external transportation (forklift trucks, or similar, used for internal transportation and handling are eligible)
- purchase of trading stock
- working capital
- reclaimable VAT
- maintenance costs
- own labour and equipment costs
- like for like replacement of existing machinery and equipment
- consumables (items which are normally written off within a year)
- recreational equipment (though televisions, projectors etc for educational or business purposes may be eligible)
- landscaping, ornamental work, and provision of leisure amenities
- general office equipment and furniture except desks, chairs, telephone equipment, computer and other IT equipment, software and teleprinters, laboratory and lecture-room equipment essential for the delivery of the project
- revenue costs such as salaries for key staff; training for directors and key staff; attendance at trade fairs; expenses of outside directors
- costs connected with a leasing contract such as the lessors margin, interest financing cost, overheads and insurance charges
- costs of arranging overdraft facilities, loans or other financial support instruments including any associated fees or other charges
- overheads allocated or apportioned at rates materially in excess of those used for any similar work carried out by the applicant
- notional expenditure
- payments for activity of a political nature
- depreciation, amortisation and impairment of assets purchased with the help of a grant
- contingent liabilities

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- contingencies/provisions
- profit made by the applicant
- dividends
- interest charges (unless under an approved State Aid scheme)
- service charges arising on finance leases, hire purchase and credit arrangements
- costs resulting from the deferral of payments to creditors
- costs involved in winding up a company
- payments for unfair dismissal
- payments into private pension schemes
- payments for unfunded pensions
- compensation for loss of office
- compensation paid to third parties for expropriation, unharvested crops, etc;
- bad debts arising from loans to employees, proprietors, partners directors, guarantors, shareholders or a person connected with any of these
- payments for gifts and donations
- entertainments
- statutory fines and penalties
- statutory taxes (excluding irrecoverable VAT)
- criminal fines and damages
- legal expenses in respect of litigation
- computer software and apps and/or hosting of systems for general business management/accounts/marketing and promotion/websites/on line sales

25. Costs related to the purchase and/or refurbishment and/or adaptation of any building must be appropriate to the scale, nature and intention of the project. Grant must be primarily focused on the processing of agricultural products and so cannot be used for the purpose of the acquisition of capital assets that are not essential for the delivery of the proposed activity.

26. Costs related to the purchase of equipment (either new and/or second hand) are only eligible for grant aid when the cost has been correctly defrayed 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. In certain circumstances the capital element monthly payments may be eligible for a limited period but separate rules will apply.

MAXIMUM GRANT RATE AND MAXIMUM GRANT THRESHOLD

27. The grant amount is made up from the total public sector contribution to the investment project which includes; monies from the EU; co-finance to the EU funds from Welsh Government; monies from other government departments and agencies, non-departmental public bodies and local authorities; monies from governmental controlled bodies such as the Small Business Service and the National Lottery; and, monies from

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parafiscal taxes (levies).

28. If other EU or UK public funds are obtained to support the costs of a project they will be discounted against the Food Business Investment grant.

29. The maximum grant threshold per enterprise for any individual investment project is **£5,000,000**.

30. The minimum grant threshold per enterprise for any individual investment project is **£2,400**.

Annex 1 in and Annex 1 out

Where both the input and the output are agricultural products the maximum grant rates are as follows:

SMEs - up to 40% of the total investment cost regardless of location.

Large Enterprises – up to 20% of the total investment cost regardless of location.

Annex 1 in and Non-Annex 1 out

Where the input is an agricultural product but the output is a non-agricultural product the maximum grant rates are as follows:

Less Developed Regions:

Micro and Small Enterprises - up to 40% of the total investment cost

Medium Enterprises - up to 35% of the total investment cost

Other Regions:

SME's - up to 40% of the total investment costs but limited to a maximum grant threshold of €200,000 over any period of three fiscal years regardless of location.

Or:

Micro and Small Enterprises - up to 20% of the total investment cost

Medium Enterprises - up to 10% of the total investment cost

Large Enterprises - up to 20% of the total investment costs but limited to a maximum grant threshold of €200,000 over any period of three fiscal years regardless of location.

STATE AID

31. Grants provided under this scheme shall be compatible with the internal market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3)³ thereof pursuant to either Article 17 or 44 of Commission Regulation (EU) No 702/2014⁴ (OJ L No 193, 1.7.2014, p.1.) (Agricultural Block

³ Consolidated version of the Treaty on the Functioning of the European Union (OJ 326, 26.10.2012, Article 107, 108 & 109, p. 45-47).

⁴ Commission Regulation (EU) No 702/2014 of 25 June 2014 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union (OJ 193, 1.7.2014, Article 17 & 44, p. 30-31 & 59-61 resp.).

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Exemption Regulations). This scheme will fully comply with the relevant provisions of Article 17 or 44 of the Agricultural Block Exemption Regulations.

32. Grants provided under this scheme for those activities that fall outside the scope of the Agricultural Block Exemption Regulations will be compliant aid pursuant to Commission Regulation (EU) No 1407/2013⁵ (General De Minimis Regulation).

SELECTING SUCCESSFUL PROJECTS

33. To be selected a project must, as necessary, demonstrate:

Need for activity:

- the outputs are required and will deliver against the Measure outputs
- it adds to and does not displace/unnecessarily duplicate existing activity.

Need for funding:

- it cannot proceed now without support
- the costs are not excessive for the nature of the activity involved
- there is a market failure or funding gap, where applicable.

Ability to deliver:

- viability of the business
- legal compliance
- financial viability of project and sustainability, including exit strategy
- support and commitment of key stakeholders
- project management, monitoring and evaluation arrangements.

34. The greater the importance and contribution that the project investment can make to the appropriate strategic and thematic objectives the more likely it is to be recommended for selection.

KEY REQUIREMENTS

35. The applicant will usually have only one business development investment project running at any given time.

36. The maximum period of an investment project will not usually exceed three years.

37. That the project offers direct or indirect benefits to primary producers in the agriculture sector.

38. That there is a normal (viable) market outlet for the product(s) of the project.

⁵ Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid (OJ 352, 24.12.2013)

39. That the project would not proceed without grant assistance.
40. That the amount of grant being asked for is the minimum gap funding necessary for the project to go ahead.
41. Applications must also demonstrate that the following have been addressed:
- outline planning permission has been obtained, where required
 - all other consents, licences and permissions have been granted, where required
 - for existing businesses the economic viability of the project and the business, through the provision of accounts for three consecutive years immediately preceding the date of the application and financial forecasts for the period of the project.

New businesses will be required to supply full details about the background and experiences of the directors along with other evidence necessary to validate the business plan and project proposals:

- compliance with UK and EU Law on equal opportunities and projects should promote and encourage equal opportunities and combat social exclusion
- key staff must be recruited through fair and open competition
- compliance with minimum standards and legislative requirements regarding the environment, hygiene, animal welfare and health and safety standards (to include approvals from the Meat Hygiene Service and the local Environmental Health Officer)
- availability of the necessary technical skills and competences within the business
- attain or exceed the 'Excellent' rating under the BREEAM environmental assessment framework, or equivalent where necessary
- Aspire to zero carbon emissions for all new buildings.

CROSS CUTTING THEMES

42. The Regulations governing the European Programmes stipulate that all projects funded through the Common Strategic Framework must integrate the Cross Cutting Themes (CCT's) of Equal Opportunities and Gender Mainstreaming and Sustainable Development. These mandatory CCT's need to be integrated into the design and development of the European Structural and Investment Funds (ESIF) and the activity supported through the funds. This includes the Welsh Government Rural Communities – Rural Development Programme 2014-2020.
43. In addition to the two CCT's mandated by the European Commission, Tackling Poverty and Social Exclusion will also be a mandatory CCT for the Welsh Government programmes.
44. The cross cutting themes are intended to add value, raise awareness and understanding while ensuring maximum participation and mitigating adverse impacts. This should help operations move beyond compliance and develop systems which support best practice.

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45. Further guidance is available at: [Cross Cutting Themes-Guidance](#)

HOW TO APPLY

46. It is a European Commission requirement that projects in the Welsh Government Rural Communities – Rural Development Programme 2014-2020 are not selected on a first past the post system. To meet this requirement it is intended that the Welsh Government Rural Communities – Rural Development Programme 2014-2020 schemes will open and close for applications periodically through the life of the new programme, dependent upon available programme financial allocations.

47. The Application process for FBIS will be in two stages. The first stage will be an Expression Of Interest (EOI). Applicants that are successful at EOI stage will be invited to the second stage which is to submit a full application.

48. EOI applications will be submitted in direct competition with one another and it is expected that there will be significant demand for the grant available. Those proposals will be assessed against criteria that will demonstrate the expected value of the investment or project and the contribution that is expected to be made towards the objectives of the Welsh Government Rural Communities – Rural Development Programme 2014-2020.

49. Details of the EOI application window(s) will be published on the Welsh Government website. This will give the opening and closing dates, the indicative budget available for each window and the expected maximum number of EOIs that will be invited to submit a full application, selection criteria will also be published on the website

50. The EOI applications will be scored and ranked in order of merit according to the published selection criteria. Project proposals will be selected in ranked order until either the funds available have been allocated or the maximum number of applications has been reached. There is no guarantee that all of the funds will be allocated or that the maximum number of projects will be invited.

51. Full details of how to apply are set out in the Expressions of Interest Guidance Note, and accompanying Scheme specific EOI criteria and application form.

[Wales Rural Grants & Payments](#)

52. Once a project proposal has been selected at the EOI stage the applicant will be invited to prepare and submit a full application for their proposed project, along with supporting documentation such as business development plan, previous accounts (where appropriate); financial projections and cash flows and other information as may be necessary.

53. Full applications must be submitted through the WEFO Online portal. Guidance will be provided to all applicants.

54. Second stage applications must be consistent with the proposal outlined in the approved EOI.

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55. The full application will be appraised in accordance with the Scheme Guidance and eligibility rules. They will be subject to full due diligence 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 aim to complete the appraisal of full applications within 90 working days of receipt of the full application. Appraisal of complex projects, or applications with eligibility issues may take longer. If you delay in replying to requests for further information this will extend the time.
56. **You must not start any work until you have received written confirmation from the Welsh Government. Any projects which breach this rule will not be considered for a grant.**
57. 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 and the EC reserve the right to publish the name of your company, the amount of grant you were awarded and a summary of your project.**
58. You may use a consultant to prepare your application if you wish **but the application form must be signed by you and not by the consultant. It is your responsibility to ensure that the application is correctly completed and that the information provided in support of your project is accurate.**
59. When you submit your application form the Welsh Government will acknowledge its receipt. If your project is ineligible you will be told this as soon as possible. If your application is eligible it will be subject to a detailed technical and financial appraisal. When the appraisal is complete support for your application will then be evaluated against the extent to which it meets national and regional objectives and priorities, as described above.
60. There are three possible outcomes:
- (a) Your project is not eligible for the grant. You will be told as soon as possible.
 - (b) Your project is eligible for consideration but is not approved for an award. You will be informed of the reasons why your application was not successful. You may apply again with the same project (amending the application if you wish) **but only if you have not started work.**
 - (c) Your project is eligible and is approved for an award. An approval letter will be issued to you setting out the terms and conditions of the award which you will be asked to sign as agreement that you accept the terms and conditions therein. The letter will also provide you with the authority to start work.

CONDITIONS OF GRANT

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61. The FBIS is subject to a range of relevant legislation (see separate guidance notes). Both the Welsh Government and the applicant/recipient must act in accordance with that legislation.
62. The offer of a Food Business Investment grant is made subject to terms and conditions, including those set out below. **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:

1. Acceptance of the grant awarded must be made within fourteen (14) working days of the date on the approval letter.
2. The award is made on the basis of statements made by you or your representatives in the application form and subsequent correspondence.

The making of false or misleading statements is an offence.

3. You must not begin any work on the project without first obtaining written authority to do so from Welsh Government.
4. You must meet any legal obligations imposed under EU and UK law, including hygiene legislation.
5. No alterations may be made to the project, including the location of the activity, without the written approval of Welsh Government.
6. No equipment and/or buildings purchased with grant aid must be disposed of, transferred or sold without the prior written consent of Welsh Government during the project delivery and for five years from the project end date.
7. The applicant is required to comply with the rules on eligible expenditure as detailed in the relevant Scheme Guidance Note.
8. Claims must be submitted in the correct format and accompanied by all necessary documentation. If not, they will not be accepted and will be returned to the claimant.
9. Claims must be submitted in accordance with the agreed timetable. You cannot change the agreed timing and value of your claims without written agreement from Welsh Government.
10. The first claim must be submitted no later than **six months** from the date on the approval letter.

If the first claim is not made within this period the grant offer will be automatically terminated.

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11. Projects should be completed within the timetable agreed with Welsh Government. You cannot change this without written agreement from Welsh Government.
12. You must confirm that none of the items covered by the application are replacements under an insurance claim.
13. You must provide confirmation that no other public funding (whether from EU or UK sources) has been sought.
14. Any publicity given to the project must make reference to the part played by both the European Union and Welsh Government in funding it.
15. Records concerning the activity of the business and the delivery of the project, including all original invoices and other related documents such as competitive tenders or quotes, must be retained for at least seven years after the project end date as stated in this grant approval letter.
16. You must allow representatives of Welsh Government, the Auditor General for Wales, Audit Commission and the European Court of Auditors to inspect the project. On request, you must provide them with information and/or access to original documentation in relation to the project.
17. 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, Welsh Government and the EC 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.

18. The information provided in the expression of interest application and full applications 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).

PAYMENT OF GRANT

Claims

63. You may make interim claims during the period of your project. Guidance notes on how to claim will be issued when the award is confirmed and subsequently the claim is invited. 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.

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64. Final claims for payment of grant should be submitted as soon as possible after the physical work on the project has been completed. All final claims must be received no later than 30 June 2023 in order for Welsh Government to be able to meet the payment. Failure to submit claims may result in the grant paid to date being recovered.
65. During the lifetime of the grant, when claims are submitted, they may be scrutinised to ensure expenditure is eligible and in line with that approved in the original application. On completion of the physical works, the project site will be visited and a detailed assessment of the project undertaken. The information that will be required at the visit includes; original invoices; serial/plant numbers; Building Regulations completion certificate (where appropriate); Health & Safety system including risk analysis; Fire Risk Assessment documents in accordance with the Regulatory Reform (Fire Safety) Order 2005; Cleaning Regime records; Pest control records and Quality Control records. The release of grant will be conditional upon adequate progress having been made.

Incorrect claims and penalties

66. You have a responsibility to make sure that each claim submitted is arithmetically correct; that it is only for defrayed expenditure (the money has gone from your bank account); that all the items and costs are eligible and that the claim is on time.
67. If the claim is incorrect then your claim will be reduced to the amount that is eligible and the grant to be paid will be calculated accordingly. However, if the error is more than 10% of the total amount claimed then a financial penalty will be applied as described below.
68. The amount of eligible expenditure will be reduced by the amount of the error and so the final amount of grant to be paid will be lower than expected. You will have to make up the difference because the lost grant cannot be included in later claims.
69. If you have any doubts about the eligibility of any expenditure you must check **before you incur the costs**.

Offences

70. 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 Food Business Investment 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.

MONITORING OF PROJECTS

71. It is a European Commission requirement that the progress of your project is monitored and its success evaluated following completion. You will be asked to provide regular updates on its progress and three months following completion, a final report on its performance, when the project will be evaluated against the objectives and targets set

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out in the approved application. If the project should fail to meet these targets and, on the basis of progress actually made, would not have qualified for grant aid under the scheme, action may be taken to recover the grant paid.

72. It will be a requirement of the grant award that equipment purchased with the aid of a Food Business Investment grant and any buildings on which grant is paid, must be kept in situ, operational and in good repair, and used for the same purpose as set out in the original application, for five years from the project end date. This is to ensure the longevity of the project and to guarantee primary producers a lasting share of the project's benefits.

73. A further monitoring form will be required to be completed two years following completion and again five years following completion. Site visits will be made on a percentage of the projects approved within five years of the project end date to ensure the applicant still has and is still using the buildings and equipment purchased with the grant for the same purposes and that the business is performing as expected.

74. You must allow officials from Welsh Government and the European Commission, or their representatives, to inspect the project at any reasonable time within this five year period.

END OF FOOD BUSINESS INVESTMENT SCHEME

75. All claims must be submitted to the Welsh Government by no later than 30 June 2023. All project activity must be completed in time for accounts and records to be audited and claims to be prepared and submitted by this date.

APPEALS PROCEDURE

76. If an application is rejected, the reasons for rejection will be explained. We will be prepared to discuss any modifications which might be needed to make the project acceptable.

77. If an application is still rejected an appeals procedure will be established which will take the form of an oral or written submission to persons appointed by and independent of the Welsh Ministers.

COMPLAINTS PROCEDURE

78. If you consider that we have failed to follow the correct procedure in the handling of your request you may wish to make a complaint in accordance with Welsh Government's Complaints procedure which is available by post or via the website at:

[Welsh Government Complaints](#)

ANNEX A

EXAMPLES OF POSSIBLE INVESTMENT ACTIVITIES

Examples of the types of projects and activities that might be supported are:

- **a group of potato producers** may want to upgrade their processing facilities and rationalise and amalgamate their storage and grading facilities into a larger, more economical unit with better environmental control
- **a vegetable processing company** might want to improve its facilities to meet customer requirements and improve its handling of waste water
- **a livestock market** may wish to improve its lairage facilities and other handling/holding facilities to raise the standards of animal welfare, make improvements to sale rings to speed up sales, or to improve its effluent handling
- **an abattoir** might wish to expand its primal cutting operation to accommodate the needs of its customers, to build new chilling or other carcass processing facilities, to introduce new processing lines for specific purposes, for example, slaughter for export, or to improve its effluent handling
- **a meat /poultry processing company** may want to make quality improvements to its products or expand into another area or move into more refined/specifically targeted packaging and improve its effluent treatment systems
- **a small dairy business** may wish to expand its cheese-making operation to take advantage of the growing market for speciality cheeses
- **a cheese manufacturer** may want to move into higher quality products such as mature cheeses or move into new areas such as blue cheese or improve its storage facilities and improve its waste and effluent handling.

ANNEX B

General Data Protection Regulation: Privacy Notice

1.1 This notice informs you about the Welsh Government's use of the information provided on the application form used in connection with your application for aid under the Welsh Government's Rural Communities – Rural Development Programme for Wales 2014 – 2020 schemes. It also explains the Welsh Government's processing and use of your personal data and your rights under the General Data Protection Regulation.

The data controller for the information submitted as part of your application is the **Welsh Government, Cathays Park, Cardiff, CF10 3NQ.**

The data protection officer for the same information is the **Data Protection Officer, Welsh Government, Cathays Park, Cardiff, CF10 3NQ.**

Email: DataProtectionOfficer@gov.wales

1.2 The information will be processed and managed by the Welsh Government in accordance with its obligations and duties under the following European Regulations:

- Council Regulation (EU) No 1303/2013
- Council Regulation (EU) No 1305/2013
- Council Regulation (EU) No 1306/2013
- Commission Regulation (EU) No 640/2014
- Commission Regulation (EU) No 807/2014
- Commission Regulation (EU) No 808/2014
- Commission Regulation (EU) No 809/2014
- General Data Protection Regulation (EU) No 679/2016

The information will primarily be used for the purposes of processing and determining applications for financial support. However, the Welsh Government may also make use of the information supplied for other purposes, which will include those connected with its functions and duties under the Common Agricultural Policy of the European Community and with its statutory environmental obligations.

1.3 The lawful basis for the processing is that it is necessary for the performance of a task carried out in the exercise of official authority vested in the Welsh Government.

1.4 The Welsh Government collects personal data to identify your location and your farm business(es). The Welsh Government does not collect any special category data.

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1.5 The data is processed through an automated process of business rules in the Welsh European Funding Office (WEFO) Programme and Project Information Management System (PPIMS). The PPIMS Project Number is the primary key for the majority of reports.

1.6 Your information will be stored in accordance with the Commission Implementing Regulation (EU) No 908/2014, “Conservation of Accounting Information”.

2 Reasons for sharing personal data

2.1 EU legislation states that eligibility will be dependent, among other things, on meeting the requirements of Cross Compliance. The agencies currently involved in enforcing these directives and with whom the Welsh Government may share information are:

- Natural Resources Wales
- Animal and Plant Health Agency
- Veterinary Medicine Directorate
- Welsh Local Authorities
- Food Standards Agency Wales
- DEFRA
- Other UK Government Agriculture Offices.

The information may be used for the following:

- Cross Compliance and cross checking between Governmental organisations to prevent breaches of the Common Agricultural Policy schemes
- the production and publication of maps showing the areas of land that have received support under the Common Agricultural Policy schemes
- compilation of reports of aggregated data and/or summary statistics to be made publicly available
- informing decisions relating to policy changes and funding including research studies conducted on behalf of the Welsh Government to inform Monitoring and Evaluation of Rural Development Schemes
- identification of landowners/users in events of emergencies, e.g. disease control and breach control
- protecting applicant’s interest in land conservation and issues that may arise due to funding queries
- allowing partner organisations to fulfil their legal duties
- disclosure to regulatory authorities, such as HM Revenue and Customs, Local Authorities and the Police
- publication of certain information and responding to requests for information. For more about this see paragraphs J3.2- J3.3 in this booklet.

3 The Publication and Disclosure of Information

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3.1 The information will be managed and used by the Welsh Government in accordance with its obligations and duties under the:

- Freedom of Information Act 2000
- Data Protection Legislation
- Environmental Information Regulations 2004
- Commission Regulation (EC) No 908/2014
- General Data Protection Regulation (EC) 679/2016

3.2 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.

3.3 Commission Regulation (EC) 908/2014 requires the Welsh Government to publish details of the amounts paid to CAP 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 31st May and remain available for two years from the date it is published. The information will be available on the Defra website at: [Cap Payments Defra](#)

4 Rights under the General Data Protection Regulation (GDPR)

4.1 The GDPR gives individuals rights in respect of the personal data held on them. These rights include:

- the right to be informed (this notice)
- the right to ask for and receive copies of the personal data that the Welsh Government holds about them, although the Welsh Government can sometimes withhold some data or not provide copies
- the right, in some circumstances, to prevent or restrict the Welsh Government processing personal data
- the right, in some circumstances, to have wrong data rectified
- the right, in some circumstances, to have data erased (to be forgotten).

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If you wish to exercise any of your rights under the GDPR, you should contact the Welsh Government at the address provided at the beginning of this notice.

4.2 Individuals also have the right to ask the Information Commissioner, who enforces and oversees the GDPR, to assess whether or not the processing of their personal data is likely to comply with the GDPR. The Information Commissioner can be contacted at:

Information Commissioner's Office, 2nd floor, Churchill House, Churchill Way, Cardiff, CF10 2HH, Tel: 029 2067 8400, Fax: 029 2067 8399, Email:wales@ico.org.uk