



The Pumpkin Patch Cookery and Gardening School
Allt Y Gog Farm
Abergorlech Road
Whitemill
Carmarthen
SA32 7AY

21 June 2017

Dear Lisa,

**WELSH GOVERNMENT RURAL COMMUNITIES -
RURAL DEVELOPMENT PROGRAMME 2014 – 2020**

Applicant: The Pumpkin Patch Cookery and Gardening School

(hereinafter referred to as “you”)

Scheme: RCDF

Sub Measure: 7.7

Project Title: The Pumpkin Patch Cookery and Gardening School and Cafe

(hereinafter referred to as the “Project”)

Project Reference:

1. I am pleased to inform you that your application to the Welsh Government Rural Communities - Rural Development Programme 2014 - 2020 for grant towards the eligible expenditure on the Project has been successful. The application is approved on the basis of the details set out in the grant application and any subsequent amendments agreed with Welsh Ministers (“the grantor”) in writing

prior to the date of this letter.

2. The offer of grant is made by an official in the Welsh Government under the authority of Welsh Ministers. The offer is made pursuant to the Rural Development Programme (Wales) Regulations 2014 [SI No.3222 (W.327)]. This grant is available under the above named Scheme which is a Scheme that is being delivered under the Welsh Government Rural Communities - Rural Development Programme 2014 - 2020.
3. The offer of grant is subject to acceptance by you of all the terms and conditions set out in this letter and accompanying annexes. Specifically, grant is offered on condition that the project delivers in accordance with the details described in your Project Plan, Business Plan, Delivery Profile and any Special Conditions (as applicable).
4. The offer of grant is open for acceptance for fourteen (14) working days from the date of this approval letter.

GRANT PAYABLE

5. The amount of grant payable is calculated on the basis of the financial need evidenced in the application and is shown as a proportion of eligible expenditure up to a maximum amount as set out below. The amount of grant is the maximum payable regardless of any increase in the total eligible expenditure which results from changes to the Project:

Total Eligible Capital Expenditure	£ 160,000
Capital Grant Rate	80%
Maximum Capital Grant	£ 128,000

6. Annexes A, B and C set out general and specific terms and conditions of grant with which you must comply, including the following European requirements (as amended and updated from time to time):

Council Regulation 1303/2013, 1305/2013 and 1306/2013
Commission Regulation 808/2014, 809/2014 and 1998/2006
Commission recommendation 2003/361/EC
European Community State Aid Rules
Public Procurement Directives
Environmental Legislation

7. The project start and end dates are;

Project Start Date is 24/10/2016

Project End Date is 31/10/2019

subject to any subsequent amendment confirmed in writing by the grantor.

8. The grant is conditional upon no expenditure having been defrayed prior to the Project Start Date stated at Paragraph 7 unless specifically agreed and formally confirmed in writing by the grantor, subject to any exception set out in the special conditions at Paragraph 39 Annex A.

PAYMENT OF GRANT

9. The grant will be paid in accordance with the conditions set out at Annex A. In the event of you failing to submit a claim form on time and also showing progress made against targets payments of grant may be suspended until these are submitted.

10. The grantor may reduce the final payment of grant if the total amount defrayed by you on the Project is less than the estimated total and/or if there is a change in the funding profile of the Project.

11. Without prejudice to any other provision of this letter or its annexes, the grantor may withhold any or all of the grant payments and/or require all or part of the grant to be repaid if it considers that you have not complied with:

(i) any of the terms and conditions in this offer letter or annexes to this letter;

(ii) any European Community obligation which applies to you or the Project;

(iii) you have failed to take sufficient measures to investigate and resolve any reported irregularity.

12. Any over-payment of the grant must be repaid to the grantor on demand by us, or if you become aware that the grant has been over-paid, whichever first occurs.

13. The grantor will make every effort to pay claims promptly but accepts no liability in respect of loss attributable to delay in the payment of claims or to any suspension, reduction or cancellation of the grant.

AUDIT AND MONITORING

14. The target(s) against which progress on the Project will be monitored are set out in the Delivery Profile. We expect that you provide the grantor with a report on the progress against the targets for your Project quarterly, alongside your claim for payment of grant. However you must comply with the deadlines that we set for any requests for information in whatever form concerning the progress of the Project.
15. The audit and monitoring requirements are set out in Annex A to this letter. Guidance on financial control visits will be sent to you prior to an inspection.

DOCUMENTATION

16. You must keep full records in a form agreed with us, of all the activities that generate eligible costs so as to provide the audit trails specified by the EC. You must retain these documents for at least seven years after the project end date as stated in this grant approval letter.
17. If you intend to claim grant on eligible expenditure made by others acting on your behalf you must ensure that you have a legally binding agreement with them which specifies what information is to be provided and when. You must ensure that those acting for you have original documentary evidence to support all the payments they make for you and for which you wish to claim grant.

DATA PROTECTION STATEMENT

18. Any personal data provided in the application form and to be provided in claims for assistance from the European Agricultural Fund for Rural Development (“EAFRD”) will be held by Welsh Government and processed in accordance with the requirements of the Data Protection Act 1998. The Welsh Government is registered as a data controller on the Information Commissioner’s public register of data controllers under the registration number Z7107446.
19. The personal data provided will be held on a database and will be processed by Welsh Government for the purposes of progressing applications and claims for EAFRD assistance. The information provided may be shared with UK Government Departments, Welsh Government Sponsored Public Bodies or agencies within Wales for the purposes of audit, research, meeting statutory obligations and, where appropriate, for the prevention and detection of fraud. Personal data will not, without consent, be made public in any way that identifies individuals. Certain data will be passed to the European Commission in compliance with EC Regulations.

20. Data may also be passed to Welsh Government support contractors for the purpose of resolving system problems. These contractors will not be permitted to make any other use of this data.
21. If any person on whom data is held wishes to request details of their personal data being held on Welsh Government's central database they may contact the Scheme Management Unit on telephone number 03000 622 218.
22. Nothing in this offer letter shall override the provisions of the Data Protection Act 1998.

CHANGES TO THE PROJECT

23. Any change to the project must be agreed by the grantor in writing. If you notify us that your Project has changed in any way, we will write to you to tell you how we will treat the changes.
24. Changes include any alteration to the nature of the Project such as significant changes over the lifetime of the Project to the individual categories of expenditure or quantifiable targets set out in the Project Plan, Business Plan or the Delivery Profile; any change to the Project's use, its financing or ownership and/or any change to the project completion timetable.
25. Failure to notify the grantor may result in the termination of grant and you may be required to repay part or the whole of any grant paid. No grant will be paid in respect of any changes to the project until those changes have been approved by the grantor.
26. The applicant is required to notify the grantor at the earliest opportunity if the project undergoes a substantial modification within 5 years of the Project End Date that:
 - a) affects its nature or implementation conditions or gives undue advantage to a firm or public body;
 - b) results either from a change in the nature of ownership of an item of infrastructure or the cessation or relocation of a productive activity.

AMENDMENTS TO THIS LETTER AND ANNEXES

27. No amendment or variation to the terms and conditions of the offer of grant as set out in this letter or its annexes will be effective unless confirmed in writing by the grantor.
28. The grantor reserves the right to amend the terms and conditions of the offer of grant as set out in this letter or its annexes by giving written notice to you.

RESEARCH AND EVALUATION

29. In order to gauge its effectiveness all European funds assistance must be the subject of research and evaluation. Welsh Government, or independent contractors acting on behalf of Welsh Government, may ask you to co-operate with them in carrying out such research. You are expected to comply with all such reasonable requests. In particular, you must, upon request, supply the grantor, Welsh Government, (or the contractor conducting the study), with basic details about the project.
30. All information provided will be treated in the strictest confidence; the findings of research and evaluation studies will not identify individual projects or beneficiaries and individual projects will not be compared.

HOW TO ACCEPT THIS OFFER OF GRANT

31. If you wish to accept this offer please print, sign and scan the acceptance page in to WEFO Online by no later than fourteen (14) working days from the date of this letter.
32. Would you please ensure that your Project Development Officer is advised of the receipt of this approval letter.

Yours sincerely,

Charlotte Cosserat/Neil Howard
Head of Scheme Management Unit

- Annex A General Terms and Conditions of Grant
- Annex B EC Requirements (Regulations, State Aid and Publicity)
- Annex C Procurement Rules and Competitive Tendering Requirements

ACCEPTANCE

**Welsh Government Rural Communities –
Rural Development Programme 2014-2020**

Applicant: The Pumpkin Patch Cookery and Gardening School

Date of Approval Letter: 21/06/2017

Scheme: RCDF

Sub Measure: 7.7

Project Title: The Pumpkin Patch Cookery and Gardening School and Cafe

Project Reference: 81123

I accept the offer of grant under the above named Scheme being delivered under the Welsh Government Rural Communities - Rural Development Programme 2014-2020 on behalf of the applicant subject to the terms and conditions set out in your letter above and the attached Annexes, all of which I have read, fully understand and accept.

Name (block capitals):

Signed:

Position:

Organisation:

Date:

ANNEX A

GENERAL TERMS AND CONDITIONS OF GRANT

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

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.

Accounting and retention of records

18. The applicant is required to comply with Article 7 EC Regulation 1306/2013 which provides that an administrative organisation and systems of internal control are maintained and Article 125 (4) (b) of EC Regulation 1303/2013 which requires the applicant to maintain either a separate accounting system or an adequate accounting code for all transactions relating to the operation.
19. The application must comply with Article 140 of EC Regulation 1303/2013 which states that all supporting documentation relating to activities and expenditure supported by the grant is available to us, the European

Commission and the European Court of Auditors. The applicant must ensure that all supporting documentation is maintained in an acceptable format, including with regard to electronic documents within the meaning of the community rules. Documents include records of outputs and results.

20. The applicant must also comply with regulation 9 of the Rural Development Programme Wales 2014 (No. 3222 (W.327)) which sets out domestic requirements on retention of documents. Original documents relating to the implementation of the Project and its financing should be retained for audit purposes for at least seven years after the project end date as stated in this grant approval letter.

Audit

21. If so requested by the grantor, applicants must submit copies of annual audited accounts within 6 months of the end of their financial year. The notes to the accounts shall specifically itemise grant receipts.
22. Failure to submit a claim form, showing progress made against performance activity targets, on time will result in non-payment of grant. Final claims must be submitted and paid by Welsh Government before the Project End Date (as stated in the grant offer letter).

Project Monitoring

23. Progress of the project will be monitored against the targets in the agreed Delivery Profile. You will be required to report progress against these targets.
24. Information collected through official visits to include in some instances audited accounts will also be used to verify the progress of the project. Where a negative trend or discrepancy develops for a particular project, the grantor will look into the reason behind this and if appropriate, take action. In the worse scenario, action may include the suspension of grant payments and/or the recovery of grant.

Inspection Rights and Documentation

25. In the continuous assessment of a project, it may be deemed necessary to make an inspection visit to the project site to verify the status of the project against information provided, or examine records in relation to the same, or to ascertain whether and what sum of financial assistance is payable or recoverable.

26. Without prejudice to any other provision of this offer letter or its Annexes, the grantor, Welsh Government, the Auditor General for Wales, Audit Commission, National Audit Office, the European Commission and the European Court of Auditors or their representatives have the following rights:
- i) To inspect the project and to require such further information in relation to the project as they think fit;
 - ii) To be provided with original documentation relating to the project to include if requested, original accounts.
27. You must keep full records in a form agreed with the grantor so as to provide an adequate audit trail. Original documents relating to the implementation of this project and its financing must be retained for at least seven years after the project end date as stated in this grant approval letter.

Project End Date

28. The applicant shall complete the project on or before the Project End Date as stated in the grant approval letter. The applicant must have completed all physical works, completed all relevant financial expenditure, submitted all claims to Welsh Government and all grant must have received by the applicant before the project can be considered to be complete.

Withholding and/or repayment of grant

29. Grant shall be withheld by the grantor and/or, insofar as payment has been made, the applicant shall repay grant on demand either in whole or in part, where:-
- a) a domestic check by the grantor, Welsh Government, the Auditor General for Wales, the National Audit Office, Audit Commission appointed auditors, the European Commission or the Court of Auditors, identifies circumstances whereby a full or partial de-commitment of grant is due or, if the Commission otherwise requires the grant to be withheld, reduced, cancelled or recovered;
 - b) the grantor and/or Welsh Government considers that the assistance is in breach of European Community State Aid rules or if the European Community Authorities consider that any grant paid should not have been paid; or if a decision of the European Court of Justice requires

- payment to be withheld, reduced, cancelled or recovered;
- c) There has been an overpayment of grant;
 - d) Grant is not used for the purposes of the Project;
 - e) A factor on which the original grant was calculated has changed;
 - f) The grantor has reasonable grounds to believe that the future of the Project is in jeopardy;
 - g) Information provided in the application for grant or in subsequent or supporting correspondence is found to be incorrect, misleading or incomplete;
 - h) There is unsatisfactory progress towards completing the Project;
 - i) There is unsatisfactory progress towards meeting the forecast targets specified in the Delivery Profile;

Termination

- 30. This agreement will automatically terminate if the first claim for grant aid is not submitted within six months from the date of this letter.
- 31. Save for the circumstances set out at paragraph 30 the Grantor reserves the right to terminate this agreement at any time upon giving fourteen (14) working days written notice to the applicant. Where notice is given, termination shall take effect at the end of the period of notice.
- 32. Where any payment of financial assistance has been made, an amount equal to the whole or any part of such payment may be recovered on demand, where:
 - a) Access to the project site or any records has been denied to personnel authorised by the grantor or persons referred to at paragraph 26.
 - b) Any information provided by the applicant and/or his representative is found to be false or misleading in a material respect;
 - c) the applicant and/or his representative has intentionally or by negligence committed a substantial irregularity in performing the

agreement and by fraud, corruption or any other illegal activity or omission on the part of the applicant, has resulted in the Welsh Government and/or European Union suffering a financial loss.

- d) The applicant and/or his representative have failed, within the period specified by the grantor to supply any information requested by the grantor;
- e) There has been a substantial change in the nature, scale, costs or timing of the project;
- f) The grantor has reasonable grounds to believe that project has not been or is not being properly carried out with a view to fulfilling the aims of the project as stated in the application form;
- g) The project has been or is being unreasonably delayed or is unlikely to be completed by the date of completion specified in the grant approval letter and the agreed Delivery Profile;
- h) The pattern of expenditure is only partially completed within the time limits specified in the grant approval letter and the agreed Delivery Profile.
- i) a domestic check by the grantor, the Auditor General for Wales, the National Audit Office, Audit Commission appointed auditors, the European Commission or the Court of Auditors, identifies circumstances whereby a full or partial de-commitment of grant is due or, if the Commission otherwise requires the EAFRD assistance to be withheld, reduced, cancelled or recovered
- j) The grantor considers that the assistance is in breach of European Community State Aid rules or if the European Community Authorities consider that any grant paid should not have been paid; or if a decision of the European Court of Justice requires payment to be withheld, reduced, cancelled or recovered
- k) During its economic life, the Project undergoes substantial change defined as being used for purposes other than those specified in the application or having a change of owner. The economic life is the period up to the last payment of grant or achievement of the last of the targets specified in the Delivery Profile or 5 years from the end date of the project whichever is the later;

- l) Within the period beginning on the date of this letter and during the economic lifetime of the Project any of the following events occur, of which the grantor must be informed as soon as possible:
- (i) The applicant ceases to be a subsidiary of any company of which it is a subsidiary at the date of this letter or the applicant becomes a subsidiary of any company of which it is not a subsidiary at the date of this letter. The word "subsidiary" shall be interpreted in accordance with the definition in Section 736 of the Companies Act 1985 as substituted by Section 1159 of the Companies Act 2006;
 - (ii) the applicant is the subject of a proposal for voluntary arrangement or has a petition for an Administration Order or a petition for a Winding-up Order brought against it or passes a resolution to wind-up or makes any composition, arrangement, conveyance or assignment for the benefit of its creditors or purports to do so, or if a receiver or any other person is appointed in respect of its undertaking or any of its property.

33. On termination of the agreement, the applicant shall:

- a) repay within 28 working days the whole or part of any grant paid which has not at the date of termination been spent for approved purposes and
- b) Comply with the provisions of any demand for repayment served by the grantor.

Interest

34. Where it is decided that a recovery is to be made, interest on that amount is payable at the rate of one percentage point above the Bank of England base rate in respect of each day of the period from the day on which the financial assistance was granted until the day on which the amount is recovered. Please refer to regulation 12 of the 2016 Regulations for the definition of 'Bank of England base rate'.

Inventory of Assets

35. The applicant must establish and maintain an inventory of all fixed assets acquired, built, or improved wholly or partly using the grant. An asset is defined as an item that will not be used up within 12 months and which is not intended to be sold before the end of its useful life. Assets below £10,000 can

be excluded.

36. The inventory should show the:

- i) date of purchase;
- ii) description of asset;
- iii) price paid net recoverable VAT;
- iv) amount of grant paid;
- v) location of the title deeds;
- vi) serial or identification numbers;
- vii) location of the asset;
- viii) date of disposal; and
- ix) Sale of proceeds net of VAT.

37. No equipment and/or asset acquired with grant aid must be disposed of, transferred or dissipated within 5 years of the Project End Date without the prior written consent of the grantor.

Ineligible expenditure

38. The applicant is required to comply with the rules on ineligible expenditure as detailed in the relevant Scheme Guidance Notes.

Special Conditions

39. The applicant is required to comply with any special conditions listed below otherwise no special conditions apply.

‘The applicant has advised the Grantor that The Pumpkin Patch Cookery and Gardening School is not currently registered for VAT. Should the VAT status of The Pumpkin Patch Cookery and Gardening School change in the future the applicant must notify the Grantor in writing immediately, as this may require repayment of all ‘irrecoverable VAT’ costs on this project. Failure to advise the Grantor of a change in The Pumpkin Patch Cookery and Gardening School VAT status will be considered a breach in contract and could result in claw back of some, or all, of the grant.’

ANNEX B

EC REQUIREMENTS

1. The following is a summary of the EC regulations, rules and directives that apply to this grant. They may be amended from time to time. The applicant should take his/her own legal advice in connection with them.

EUROPEAN RURAL DEVELOPMENT REGULATIONS

2. Commission Regulation 1303/2013 – common provisions for the ESI Funds

Council Regulation (EC) No 1306/2013 of 17 December 2013 on the financing of the common agricultural policy

Council Regulation (EC) No 1305/2013 of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)

Commission Regulation (EC) No 809/2014 of 17 July 2014 laying down detailed rules for the application of Council Regulation 1306/2013

Commission Regulation (EC) No 808/2014 of 17 July 2014 laying down detailed rules for the application of Council Regulation 1305-2013

Commission Regulation (EC) No 1998/2006 of 15 December 2006 on the application of Articles 87 and 88 of the Treaty to de minimis aid

EUROPEAN COMMUNITY STATE AID RULES

Principles

3. The European Commission has considerable powers to monitor, control and restrict the forms and levels of aid given by all Member States to their industries. The principles underlying State Aid are set out in Articles 107, 108 & 109 of the Treaty of the Functioning of the European Union (TFEU). Detailed guidance on State Aid rules can be found in “European Community State Aids: Guidance for all Departments and Agencies” published by DTI in March 2001 and the various frameworks and guidelines issued by the Commission on the application of the rules. All State Aid (other than those covered by de minimis provisions or a block exemption – see below) must be notified to and approved by the Commission in advance of implementation, otherwise it is illegal.
4. Applicants are required to abide by any State Aid limits which are applicable. No grant will be paid in respect of the project until the grantor has been informed of the Commission’s approval of the project under the notification of

the state aids procedure pursuant to Article 108(3) of the TFEU, or the grantor has formed the view that such notification is not required. Recipients of illegal aid will risk being required to repay aid together with interest in the event the project is found to have infringed the State Aid rules, and also risk actions for damages from third parties. If you are in any doubt contact the Welsh Government.

Notification

5. Where a Project will use public expenditure (including rural development funds) either directly or indirectly to provide subsidised benefits to the private sector, eg grants to firms for investment, training and a reduced cost business consultancy, the assistance provided to the project will normally need to conform to the State Aid rules.
6. This grant is awarded in accordance with the State Aid cover as set out in the relevant Scheme Guidance note.

PUBLICITY REQUIREMENTS

Press Releases and publicity about project activity

7. In accordance with Article 115 and Annex XII of Council Regulation 1303/2013 the applicant must when entering into publicity in relation to this project, acknowledge the support being made by the European Union through Welsh Ministers. Such publicity should refer to the Welsh Government.
8. Publicity, for these purposes, shall include; formal and informal announcements; brochures, pamphlets, leaflets and all other printed material; job recruitment advertisements; press and journal articles and press releases, media interviews (television and radio) and official launches and openings.
9. If you decide to accept this offer, as contained in this letter, you may be contacted by the Welsh Government Communications Team to discuss this publicity requirement. If you decide to enter into publicity before a member of the communication team has a chance to contact you, please contact Ruralnetwork@wales.gsi.gov.uk in the first instance, to discuss your proposals.
10. Additionally, you must publicise the fact that the European Union, through Welsh Ministers, is part-funding your project. This publicity should ensure that beneficiaries are fully aware that the project in which they are participating has been partly financed by the European Union and that you raise awareness of

the European Union funding amongst potential beneficiaries and the general public.

11. As a minimum this must include the Welsh Government logo; the European Union logo and the following wording;

Cronfa Amaethyddol Ewrop ar gyfer Datblygu
Gwledig: Ewrop yn Buddsoddi mewn
Ardaloedd Gwledig

The European Agricultural Fund for Rural
Development: Europe Investing in Rural Areas

Publication of information about grant awards

12. In accordance with Commission Regulation (EC) No 1303/2013, the Welsh Government is obliged to publish, at least every six months, details about the beneficiaries receiving Rural Development payments including details of such payments. The details published will be:

- The first name and surname of the beneficiary or the name of the company, partnership or organisation which is the beneficiary;
- The town or city name and the first 3 or 4 characters of the Post Code where the beneficiary resides e.g. Cardiff CF10;
- The amount of funding, including both the contribution from EAFRD and the Welsh Government, received in the financial year.

This information will be published by 30 April each year and annually on this date thereafter at <http://cap-payments.defra.gov.uk>

13. All requests to the Welsh Government for the disclosure of information (including that related to this grant application or award) will be considered in accordance with the Welsh Government's Code of Practice on Access to Information ('the Code') and the Welsh Government's statutory obligations under the Freedom of Information Act 2000 (FOIA), Environmental Information Regulations 2004 (EIR) and Data Protection Act 1998 (DPA). The Code reflects the Welsh Government's approach to open government and provides guidance on how the Welsh Government will respond to requests for information from members of the public whether they fall under the FOIA, EIR or DPA.

ANNEX C

COMPETITIVE TENDERING AND PROCUREMENT REQUIREMENTS

1. The EC Procurement Directives apply to contracts that are financed or part financed by EU Funds. The full procurement rules apply to all public bodies and commercial enterprises in the private sector who receive grant support of 50% or more of total project costs exclusive of VAT. For further information please see <http://gov.wales/docs/drah/publications/160704-competitive-tendering-and-public-procurement-technical-guidance-notes-en.pdf>
2. Within the coverage of the Directives set out below, contracts above certain limits are required to be advertised in the Official Journal of the European Union (OJEU). Bids for contracts must be assessed on an objective basis and contract awards should be published in the OJEU for the amount of time relevant to the procurement procedure followed. **The grant may be reclaimed in full or in part if it is found subsequently that the procurement rules have not been observed.**

Estimated Value*	Requirement	Action
£0 - £4,999	One written quote	It is recommended to use suppliers that are registered on www.sell2wales.gov.wales
£5,000 – £24,999	Three written quotes	It is recommended to use suppliers that are registered on www.sell2wales.gov.wales
£25,000 - £106,046 (Goods and Services)	Full and open competition	Requirements must be published through www.sell2wales.gov.wales Quotes may be sought by direct reference to suppliers
£25,000 - £4,104,393 (Works)	Full and open competition	Requirements must be published through www.sell2wales.gov.wales Quotes may be sought by direct reference to suppliers
£106,047 and above (Goods and Services)	Full and open competition	Publish requirement throughout Europe via www.sell2wales.gov.wales
£4,104,394 and above (Works)	Full and open competition	Publish requirement throughout Europe via www.sell2wales.gov.wales

* Please note that these figures are exclusive of VAT

3. Third sector organisations that are not financed or supervised by public sector bodies and commercial enterprises in the private sector who receive grant support of less than 50% of the total project costs may not be covered by the European Community (EC) Procurement Directives. European Union (EU) Procurement Directive 2004/18/EC Article 8 - Contracts subsidised by more than 50% by contracting authorities - has the effect of making the full public procurement directive apply in situations where the grant assistance exceeds 50%. Therefore by analogy if the grant rate is below 50% then the provisions of this Directive do not apply. But such organisations and businesses are still expected to use fair and open practices, including competitive tendering, when buying goods or services as part of project activities that are being supported through EU funded Programmes.
4. Project sponsors must demonstrate that they have used fair and open practices by using a competitive tendering exercise for all goods or services that are included in the project for which they intend to claim grant support. **The grant paid on goods or services may be reclaimed in full or in part if it is found subsequently that the competitive tendering requirements have not been met.**
5. There are three key aims of competitive tendering:
 - to demonstrate fairness of opportunity for suppliers to make a contribution to EU funded investment activities;
 - to improve the competitiveness of suppliers;
 - to demonstrate that the expenditure costs are reasonable.
6. For those organisations and businesses that are not caught by the formal EC Procurement Directives then the following competitive tendering requirements must be followed according to the total value of the goods or services purchased exclusive of VAT.

Final Value of the goods or services purchased	Competitive Tendering Requirement	Action
£0 - £4,999	One written quote	It is recommended to use suppliers that are registered on www.sell2wales.gov.wales
£5,000 – £24,999	Three written quotes	It is recommended to use suppliers that are registered on www.sell2wales.gov.wales

Rural Development Programme 2014-2020
GRANT APPROVAL LETTER

£25,000 and above	Full and open competition	Requirements must be published through www.sell2wales.gov.wales Quotes may be sought by direct reference to suppliers
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