

Paludiculture Exploration Fund

Grant Guidance 2022

Date: 14 December 2022

Version: Draft version. This guidance is subject to confirmation when Natural England issues the Invitation to Apply (ITA).

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The Paludiculture Exploration Fund

The Paludiculture Exploration Fund (PEF) is a new grant scheme sitting under the umbrella of the Nature for Climate Peatland Grant Scheme (NCPGS) managed and delivered by Natural England.

Paludiculture, or farming on rewetted peat, is a system of agriculture for the profitable production of wetland crops under conditions that support the competitive advantage of these crops. In the context of lowland peat soils, it is most usually achieved through raising the water table to achieve wetland conditions. Paludiculture offers a potential solution for maintaining the profitable use of lowland peatland whilst significantly reducing the greenhouse gas emissions associated with their current (dryland) agricultural use.

PEF Grants are to help unlock barriers to the development of commercially viable paludiculture. The focus of the grants offered through PEF is tackling both ends of the supply chain, i.e., the growing and harvesting of paludiculture crops and/or the development of products based on those crops. Land-based projects (including machinery development) must take place on lowland peat soils in England. Product development projects must be based in England, but the paludicultural crops used to develop the product can be sourced from further afield if sufficient supplies cannot be sourced in England.

The intention of PEF is to help develop the evidence base and create the conditions for paludiculture enterprises in England, to facilitate this, outputs generated by PEF Grants will be made available to others. For example, data gathered in your project and/or other knowledge gained could be shared as a case study. This will be in line with the Grant Terms and Conditions, a copy of these will be supplied as part of the Invitation to Apply pack on Atamis.

Funding & timeline

Applications for PEF Grants can be made between 03 January 2023 and 03 March 2023¹. Grants will be awarded in May 2023 and will run until March 2025.

There is no minimum or maximum limit to the size of projects: we anticipate applications in the range of £50 000 to £500 000.

PEF Grants can cover up to 100% of costs.

¹ Application window dates subject to final confirmation upon issue of the ITA

Eligibility

Who can apply

Applications to PEF are welcomed from projects focussed on tackling the barriers to developing commercially viable paludiculture on lowland peat soils in England, where the intended outcome is a positive environmental benefit resulting in the reduction of peat wastage and greenhouse gas emissions.

Who can apply:

- businesses
- commercial enterprises
- environmental groups
- local authorities
- charities
- public bodies
- landowners
- internal drainage boards
- other organisations

Eligible and ineligible costs

The expectation is PEF will fund a range of different projects, helping to develop the evidence base and create the conditions for paludiculture enterprises in England. Applications will be considered from projects with a link to any species with potential for paludiculture in the UK. For a guide to suitable species see Annex 4 of the [Defra commissioned literature review](#). Applicants proposing projects including species not on this list will need to include a justification of how the species demonstrates genuine potential for paludiculture in the UK.

Eligible costs are those related to seeking to address the challenges, barriers, and markets for paludiculture crops. These include, but are not limited to:

- determining how to sow, grow and harvest crops
- quantifying greenhouse gas abatement and other marketable ecosystem services
- developing new machinery or adapting existing machinery to sow, harvest and process crops
- developing new products to utilise the paludicultural crops
- developing product standards for different users and uses of paludicultural materials
- staff and volunteer time in delivering the project
- communication and engagement activities related to the projects
- investigating challenges relating to water availability, management, and quality

Ineligible costs include:

- land purchase
- the buying out of tenancy agreements
- activities related to the discharge of contractual or legal obligations
- landowner compensation payments for inconvenience and loss of income

How to apply for a PEF Grant

To register and apply for a PEF Grant, you need to use [Defra's eSourcing portal \(Atamis\)](#).

You will need to complete three sets of questions:

- qualification (eligibility)
- technical
- commercial

This guidance will help you complete the technical and commercial questions. Any queries on the application process should be submitted through Atamis.

The Technical Questions account for 70% and include:

- what is the focus of the project, and why is the project needed?
- what do you plan to achieve and how?
- what will you do with the knowledge gained?

The Commercial Questions account for 30% and include an assessment of the:

- confidence that project costs provide value for money
- outputs to be delivered against grant request.

Technical questions

You can find guidance below on the technical questions in the 2022 PEF Grant application.

1: What is the focus of this project, and why is it needed?

In this question, you will need to describe your future ambition for paludiculture and why your PEF grant is needed to achieve this. This should include an understanding of why paludiculture is appropriate at your location or the opportunity offered by paludicultural crops in your product(s) as well as what constraints/barriers need to be overcome to achieve your ambition and who will be involved.

You should describe where you/the project are in this journey, for example an established grower/product developer wanting to trial new techniques/upscale, or new to this field with no previous experience of paludiculture.

You must include:

- project title
- the project's vision for paludiculture and why it is appropriate for this case or location and the link to peat
- the focus, location and scale of the PEF project, including site information where this is appropriate
- the barriers preventing the vision from being achieved
- an indication of where the project and those involved in its delivery are in the journey to achieving the vision. For example, at start of the journey or the innovation stage, with some experience or an established enterprise or model with significant experience
- why the PEF Grant is appropriate for overcoming the barriers you have identified

2: What do you plan to achieve and how?

You will need to describe what you plan to do in your project, including a work plan. This must include:

- the objectives of the project
- your approach to overcoming the barriers identified, with a timetable and key activity milestones
- the project outcomes, expressed in terms of the scale of market that could be developed or the area of lowland peat that could be converted and the positive environmental benefits that will result.
- the resources required to deliver your project, including the people and the organisation(s)/partnerships represented and the skills and experience they offer
- your approach to managing the project, including for example:
 - resource and time management
 - risk management
 - consents and permissions (where required)

3: What will you do with the knowledge gained?

You will need to describe how the findings of the project will bring about a change in paludiculture.

You must include:

- plans for knowledge exchange and communication during the project

- the intended scale of change that the project outcomes will deliver in the next 3-5 years, and details of the next steps that would be required to achieve this impact.
- an explanation of how the outcomes of the project will also contribute to wider benefits for the environment or society, e.g., biodiversity, flood risk, employment
- an explanation of how you will select and then quantify indicators that can be used to monitor project success in the short-term (at the end of the project) and into the future

Commercial questions

The commercial questionnaire will be assessed separately to the technical questionnaire.

Points will be awarded based on an assessment of:

- confidence that project costs provide value for money
- outputs to be delivered against grant request.

1. Confidence that project costs provide value for money

An additional 10% will be added to the score of those projects that demonstrate the pricing of detailed project costs offers value for money. This will be based on an assessment of the evidence provided at application.

The Authority reserves the right not to award contracts where costs may be determined as excessive.

2. Assessment of outputs

Scores will be awarded based on a simple assessment of the outputs to be delivered against total grant request. Maximum points will be awarded to the Applicant with the lowest cost output score. The remaining Applicants will be awarded points on a pro rata basis.

Commercial template

The commercial template will be provided on Atamis. The following is a guide; further details will be given in the ITA. You should complete the tabs, including:

- project costs
- additional funding
- PEF outputs

You need to give costs across each financial quarter. If your application is successful, these figures will inform your claim profile. Your costs must enable you to achieve your project activity milestones set out in the 2nd technical question.

Costs should be extra – the PEF Grant must help you achieve outputs or outcomes that would not otherwise be possible.

Your costs must be clear and justified, including making the most of other sources of funding and resources for the project. You must show costs are reasonable by including supporting evidence, for example:

- quotes or comparisons of costs of similar works where possible
- details of estimated costs for services you have used or plan to use
- typical pay and expense costs for staff and volunteers
- any match funding, in-kind support or other resources specifically secured for this project that are not included in the Grant Funding requested.

Project costs tab

You need to use the Project Costs tab to enter the itemised costs for each activity of your project. You need to use a separate line for each activity cost. Include the detail for each cost in the description field and the quantity field.

The spreadsheet will automatically calculate total costs entered, and add a total figure against each activity in the Summary tab.

Additional funding tab

You are not required to have any additional funding for a PEF Grant project. However, if you have additional funding which reduces the overall grant request, it will improve your commercial assessment score.

You need to itemise all match funding in this tab. You can add lines to show contributions from each source. You should split amounts into cash and in-kind contributions for each funder, with a line for each.

A contribution will count as match funding if it relates to an eligible project cost. If an activity is not eligible, it will be excluded from projects costs. If that activity was a source of match funding, it will also be removed from the match funding contribution. Match funding cannot form part of an existing obligation.

PEF outputs tab

You need to complete the outputs-to-be-delivered table as appropriate for your application. An automated output score will be generated. This will be used in determining the assessment of outputs.

Summary tab

You do not need to populate the summary tab. It will populate automatically using the data you provide in the other tabs. The summary tab includes:

- total project costs
- total grant requested and intervention rate

Application decisions

Once the application window has closed, Natural England will assess all applications. This is likely to take approximately two months.

If any clarifications about your application are required during the assessment, you will be contacted through Atamis.

Successful applications

If your application is successful, Natural England will notify you in writing and send you a grant offer letter.

The grant offer will include:

- any special conditions
- terms and conditions

You will need to sign and return the offer letter by the date given. You must not start the project until you have signed and completed all documents in the grant offer letter and fulfilled any special conditions.

Unsuccessful applications

If your application is unsuccessful, Natural England will notify you in writing through Atamis. You will have the opportunity to seek further feedback.

Successful grant projects

Successful applicants will receive further information about:

- payments and the claims process
- monitoring, including monitoring templates (where appropriate)
- reporting, including reporting templates.

Payments

Natural England will make grant payments in arrears for eligible expenditure against agreed milestones. You can submit claims monthly and must claim at least quarterly. Total costs should be submitted, and payments will be made at the agreed intervention rate. You will need to submit evidence for grant claims

Reporting

Your Grant Funding Agreement will show the dates that reports are required. You will receive templates for each report you need to submit.

You will need to give quarterly updates on progress, including:

- progress made towards project milestones
- any issues, such as delays
- any changes to the project.

By the end of the project, you will need to submit all monitoring data and a final report. The final report should:

- cover all work done across the project
- evaluate to what extent the project achieved its original aim.

Acknowledging funding

You must acknowledge Natural England's support in any publicity or materials that refer to the project. This includes any written or spoken public presentations you give about the project.

You must use:

- our name
- our logo, where you have asked permission or where we request it.

When using the Natural England name and logo you need to follow any branding guidelines we send you. We will provide updated templates from time to time.

Further information

You can find more information about the NCPGS on [gov.uk](https://www.gov.uk).

During the period of this competition all communications from Applicants (including their consortium members, consultants and advisers) must be undertaken using Atamis. You should not rely on communications from the Authority other than through Atamis.

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