FORESTRY GRANT MEASURES - TERMS AND CONDITIONS

The enclosed letter of offer is subject to the conditions contained in this document. These conditions are an interpretation of the following European legislation under which funding is provided:

Commission Regulation (EU) No 1305/2013

Commission Regulation (EU) No 702/2014

Commission Regulation (EU) No 809/2014

Commission Regulation (EU) No 1306/2013

**This refers to the following schemes:**

* Forest Expansion Scheme (FES)
* Forest Expansion Scheme – Annual Premia
* Forest Protection Scheme (FPS)
* Woodland Investment Grant (WIG)
* Small Woodland Grant Scheme (SWGS)
1. **The Project**
This financial support offer refers to the Project described in the application.
2. **Definition of Terminology**

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| --- | --- |
| “The Commission”  | means the European Commission |
| “DAERA”  | means the Department of Agriculture, Environment and Rural Affairs |
| “EAFRD”  | means the European Agricultural Fund for Rural Development |
| “The Recipient”  | means the named Head of Business of the Farm Business in the application form to whom this offer has been issued |
| “The Project”  | means the Project as described in the application and approved by way of this offer |

1. **Pre-Payment Conditions**
	* 1. The obligations of the Forest Service shall be and at all times remain conditional upon:
* full compliance (as determined by the Forest Service or any successor governmental agency acting reasonably) with all terms and conditions of the Forest Service’s Forestry Grant Scheme or any successor or similar scheme;
* the recipient carrying out the operations as set out in the Prescription.
* The recipient returning this Forestry Grant (FG) conditions document; signed and dated.
	+ 1. If the Recipient is not VAT registered and is claiming financial support on the VAT paid on eligible expenditure, they must provide written confirmation from HM Revenue and Customs.
		2. The project must be completed and the claim for financial support submitted as outlined in the letter of approval.
		3. The recipient must maintain the plantation for 20 years.
1. **General Conditions**
	* 1. The financial support shall be used only for the purposes of the Project as defined in your application. The Recipient must not seek or make application for any financial support from any other European Union funded source, other Government Department, public body or agency in respect of expenditure for which the financial support is or may become payable under the terms of this offer without prior consultation with the Forest Service.
		2. The Recipient must not without the prior written consent of the Forest Service transfer any of its rights or obligations under this offer.
		3. The Recipient must adhere to the requirements of future relevant legislative requirements and / or revised scheme requirements resulting from any changes to the current and or future Rural Development Programme.
2. **Claims for Financial Assistance and Payments**
	* 1. The claim for financial support shall be made on the prescribed claim form, only upon completion of the Project.
		2. Actual payments of financial assistance will not be made by the Forest Service, but by DAERA. Such payments will be made on receipt of authorised requests to make payments from the Forest Service and will be subject to the Forest Service having checked that all expenditure and beneficiaries are eligible, in terms of the Scheme rules.
		3. Payments made by DAERA are subject to receipt of financial assistance from the European Commission and the availability of national funding. Should such receipts be suspended or terminated DAERA may accordingly suspend or terminate payments to Recipients.
		4. DAERA accepts no liability in respect of any loss attributable to any delay in payment of claims or to any suspension, reduction or cancellation of financial support.
3. **Provision of Information
(a)** Approved projects will be subject to ongoing monitoring and evaluation.

**(b)**The Recipient shall comply promptly with any requests by or on behalf of the Forest Service, DAERA, the Northern Ireland Audit Office and the European Court of Auditors for information concerning the progress, monitoring and evaluation of the project.

**(c)** The Recipient must inform DAERA of any change of ownership of the farm business or location of the Project within 20 years from the date of the offer.

1. **Retention of Documentation**The Recipient is required to retain all original documents relating to the implementation of the Project and its financing within 20 years from the date of the offer. In no circumstances should any documentation be destroyed or otherwise disposed of without the written consent of the Forest Service. The Recipient should inform the Forest Service if the original documents are to be retained at a different address from above.
2. **Financial records**

Recipients are advised that financial records must be maintained in such a matter that will facilitate auditing of all project inspections. The project is required to keep its financial records in such a way that all payments made by it to suppliers of goods and services and all payments received by it from Forest Service are easily identifiable.

1. **Project Inspections
(a)** The following organisations and their agents/representatives shall have the right to inspect the Project at any time, and to require such further information to be supplied as they think fit and to be provided with such documents or items as they shall require:-
	* + - * the Forest Service;
				* DAERA;
				* the Northern Ireland Audit Office;
				* the Commission; and
				* the European Court of Auditors.

**(b)** The purpose of these inspections will be to establish that projects:

* + - * + are eligible for EAFRD aid under EC Regulations;
				+ satisfy cross compliance criteria;
				+ accord with the description made in the project application;
				+ have been implemented in accordance with DAERA and EAFRD rules and policies
				+ are monitored in line with DAERA and EAFRD rules and policies

**(c)** Commission Regulations (EU) No 1306/2013 and (EU) No 809/2014 requires on the spot checks on a sample of claims for payment to be carried out by DAERA’s EU verification Unit with minimum advance notice (usually 48 hours). These checks necessitate an inspection of the Project and the completion of a checklist with the Recipient’s assistance. Claims sampled cannot proceed to payment until the check is completed.

1. **Penalty System**

**(a)** Commission regulation (EC) 640/2014 requires that a penalty system is in place for measures funded under the Northern Ireland Rural Development Programme (NIRPD) measures 8.1, 8.3, 8.4 and 8.5 which cover Forest Service grants.

**(b)** The penalty system will be applied if you fail to comply with the scheme conditions as set out in the information booklet or if you make a false or misleading claim for grant payment.

**(c)** The penalty system is available to download from the Forest Service website or on request from Grants Branch.

1. **Withdrawal of Financial Support**DAERA / the Forest Service reserve the right to withhold the whole or any part of the financial support and/or require the whole or any part of the financial support already paid to be repaid to DAERA if:
	* 1. There has been a material change in the nature, scale[[1]](#footnote-1), costs or timing of the Project.
		2. Any relevant information is omitted or furnished to DAERA / Forest Service which is false or misleading.
		3. The Recipient is in breach of any of the conditions of this offer.
		4. The Recipient is in breach of any requirement to which he is subject under the Forestry Grant Scheme, i.e. if the woodland has not been established, maintained or managed to a satisfactory standard or the provisions of the prescription have not been complied with.
		5. The whole or part of the financial support payable duplicates other grant paid or to be paid out of public funds.
		6. In the event of any fraud or financial irregularity. Furthermore, in the event of fraud or any financial irregularity criminal proceedings may be instigated against the Recipient as DAERA may in its sole discretion so determine.

Where the Recipient fails to co-operate with the requests of DAERA / the Forest Service, the latter reserves the right to impose a penalty.

1. **Interest on Claw back of Financial Support**In the event of financial support being repayable, interest on account of late payment may be payable by the Recipient.
2. **Default**The following events of default will apply:

	* 1. The Recipient is in breach of any of its obligations under this offer and has failed to remedy such breach within 28 days of a written request from DAERA / the Forest Service to remedy the breach.
		2. The Recipient fails to pay or repay to DAERA any sum due by it whether under this offer or otherwise.
		3. The Recipient is for any reason no longer able to implement the Project.
		4. An order is made, or an effective resolution is passed, for the winding-up of the Recipient or a receiver is appointed in respect of any of the Recipient(s)’ assets.
		5. The Recipient is unable to pay its debts within the meaning of Article 103 of the Insolvency (NI) Order 1989.
		6. If any other event occurring in relation to the Recipient which, in the opinion of DAERA /the Forest Service materially and adversely affects their ability to comply with the conditions of this offer.

If a default event occurs DAERA / the Forest Service shall be entitled to seek repayment from the Recipient of any financial support paid under the Approval Letter. All original documentation relating to the Project should be returned to DAERA / the Forest Service.

1. **Claw back Period for Disposal of Project**

**(a)** If any Project item is changed from the purpose intended, sold, leased or otherwise disposed of within 20 years for from the date of the offer without prior consultation with the Forest Service, the financial support must be repaid; the amount repaid to be proportionate to the value of the Project changed, sold, leased or otherwise disposed of and to the unexpired part of the claw back period.

1. **Repayment of Financial Support**

In the event of DAERA requiring repayment of financial support already paid to the Recipient, DAERA / the Forest Service will send a written demand to the Recipient seeking repayment of the outstanding amount. Failure by the Recipient to repay within one month will result in DAERA considering the outstanding amount as debt which will be deducted from any payment due to the Recipient from DAERA. If no payment is due to the Recipient, DAERA will initiate legal proceedings to recover the financial support.

1. **Appeal Procedures**

Where an application has been rejected or an approval in whole or on part is revoked

the Department-

**(a)** shall give to the person whose application has been refused or to whom any

payment by way of aid would be payable, or from whom any such amount would

be recoverable, as the case may be, a written notification of the reasons for the

actions proposed to be taken by the Department;

**(b)** shall afford that person an opportunity of appearing before and being heard by a,

person appointed for that purpose by the Department; and

**(c)** shall consider the report by a person so appointed and supply a copy of the

report to whom the action proposed to be taken by the Department relates.

1. **Sharing of Information, Data Protection and Freedom of Information**

**(a)** Information provided by the Recipient on the Application Form, Claim Form or other source may be stored on computer, or otherwise. Such information may be made available to other Departments, Agencies and funding bodies for the purpose of ensuring accuracy of information and preventing and detecting fraudulent applications or other crime.

**(b)** Some or all of the information provided by you may be disclosable under the Freedom of Information Act 2000.

These conditions are governed by and shall be construed in accordance with Northern Ireland law and the Recipient irrevocably submits to the non-exclusive jurisdiction of the Courts of Northern Ireland.

**\*\*\*\*This section ONLY requires completion for the following schemes:**

* **Forest Expansion Scheme**
* **Woodland Investment Grant**
* **Forest Protection Scheme**

***Tick boxes to be completed***

**I have read and understood the conditions of the Forestry Grant Scheme, and agree to abide by them.**

**I acknowledge that any relevant information which is omitted or to submit a false or misleading claim maybe subject to a penalty in accordance with the Forest Service Penalty System.**

**Business ID ...................................**

**Scheme(s) Applied for ...................................**

**Applicant (1) Signature …………………………………………………………………………**

**Date ……………………..**

**Name (block capitals) ………………………………………………………….**

**Applicant (2) Signature …………………………………………………………………………**

**Date ……………………..**

**Name (block capitals) ………………………………………………………….**

**DAERA Official Signature …………………………………………………………………………**

**Date ……………………..**

**Name (block capitals) ………………………………………………………….**

1. Forest Expansion Scheme claims must not be reduced by over 0.5 hectares from the area approved and must not fall below the minimum application area. [↑](#footnote-ref-1)