

EXPLANATORY MEMORANDUM

THE BIOMASS PROCESSING CHALLENGE FUND REGULATIONS (NORTHERN IRELAND) 2010

2010 No. 217

1. Introduction

- 1.1. This Explanatory Memorandum has been prepared by the Department of Agriculture and Rural Development to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.
- 1.2. The Statutory Rule is made under Section 2(2) of the European Communities Act 1972 and is subject to negative resolution procedure.
- 1.3. The Statutory Rule is due to come into operation on 31st July 2010.

2. Purpose

- 2.1. The Statutory Rule will enable the delivery of the Biomass Processing Challenge Fund Regulations (Northern Ireland) 2010 which will provide the Department with the powers to provide financial assistance part financed by the European Regional Development Fund towards investment in renewable energy technologies to produce renewable energy for heat and electricity at farm and forestry level in Northern Ireland.

3. Background

- 3.1. The Biomass Processing Challenge Fund is aimed at small¹ and medium² sized farm businesses in Northern Ireland to assist in improving business efficiency and environmental sustainability at farm level, utilising cost effective and sustainable methods of processing agricultural wastes and other appropriate biomass material to generate renewable energy primarily for agricultural purposes.
- 3.2. This Fund is managed under the European Sustainable Competitiveness Programme for Northern Ireland 2007-2013 and is part financed by the European Regional Development Fund (ERDF) under Priority 3 – Improving the Accessibility and Enhancing the Environment.
- 3.3. Under the Biomass Processing Challenge Fund Regulations financial support will be made available to fund specified capital and installation costs of biomass fuelled renewable energy technologies

¹ A “small” enterprise is an enterprise which:-
Has fewer than 50 Employees; and has either an annual turnover not exceeding €10 million or an annual balance sheet not exceeding €10 million.

² A “medium” enterprise is an enterprise which:-
Has fewer than 250 Employees; and has either an annual turnover not exceeding €50 million or an annual balance sheet not exceeding €43 million.

at farm and forestry level. A grant rate of up to 40% of eligible costs, to a maximum of €400,000 per project may be paid.

- 3.4. The Fund will operate on a competitive basis. Applications will be assessed against set criteria. The Department shall open and close the Fund as it sees fit. Applications will only be accepted while the Fund remains open.
- 3.5. The Fund is open to application from the agricultural and forestry sector. All projects shall be physically installed in Northern Ireland and apply in Northern Ireland.

4. Consultation

- 4.1. Consultation took the form of informal bilateral and workshop participation with a wide range of stakeholders through the work of an industry led Agricultural Stakeholder Forum on Renewable Energy. Further engagement took place across government departments and agencies as part of the development of a cross departmental Bio-energy Action Plan.
- 4.2. Due to the consultation process detailed at 4.1 the Department did not deem it necessary to consult further on the draft Regulations.

5. Equality Impact

- 5.1. In accordance with DARD's obligations under Section 75 of the Northern Ireland Act 1988, the equality implications of the proposed Regulations have been assessed. An initial screening exercise carried out by the Department identified no significant equality impact and therefore it was decided that the Scheme should not be subject to an Equality Impact Assessment. The profile of applications to the Fund will be evaluated to monitor and assess if the Fund should be revised on the basis of equality issues.

6. Regulatory Impact

- 6.1. The Fund would not impose any additional costs or savings on agricultural and forestry businesses therefore a Regulatory Impact Assessment was not necessary.

7. Financial Implications

- 7.1. These Regulations will enable the delivery of the Biomass Processing Challenge Fund. There are no financial burdens imposed by these Regulations.

8. Section 24 of the Northern Ireland Act 1998

- 8.1. The Rule does not discriminate on grounds of religious belief or political opinion nor does it modify the European Communities Act 1972, the Human Rights Act 1998 or other statutory provisions listed in section 7 of the 1998 Act.

9. EU Implications

- 9.1. No EU implications as the proposed legislation does not transpose a European Directive.

10. Parity or Replicatory Measure

10.1. Not applicable.

11. Additional Information

11.1. Not applicable.