

# Rural Development: Knowledge Transfer and Innovation Fund full guidance

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### **Legal notice**

This document (KTIF 1 (2015)) provides guidance on the Knowledge Transfer and Innovation Fund ('the scheme') operated by the Scottish Government Agriculture, Food and Rural Communities Directorate under the Rural Development (Scotland) Regulations 2015 ('the regulations').

KTIF 1 (2015) is issued as statutory guidance under the regulations. It is therefore a legal requirement to take account of the regulations and guidance when administering the scheme – for example, when considering grant applications, or when looking at what project costs grant can support under the scheme.

Scheme applicants are expected to follow this guidance. Scheme applicants are also bound by the regulations, and the grant contract conditions contained in the grant approval letter (KTIF 3 (2015)).

## About this scheme

The Knowledge Transfer and Innovation Fund (KTIF) is part of the Scottish Rural Development Programme 2014-2020.

This scheme has two main aims:

Firstly it provides financial support for vocational training, skills development and knowledge transfer projects focused on agriculture. This is delivered through workshops, training courses, coaching, information dissemination actions and farm visits.

Secondly, the scheme funds:

- eligible agricultural demonstration/benchmarking and similar types of projects (for example, Monitor Farms)
- experimental and/or pilot projects that aim to introduce new and innovative approaches in agricultural practice

This will help Scotland take advantage of its strong performance in research and development and make sure that the learning from here and elsewhere can be transferred to on-the-ground improvements in agriculture.

## Aims and objectives

The scheme's aims are cross cutting and contribute to the following four European Union Rural Development Regulation objectives:

- fostering knowledge transfer and innovation in agriculture

This includes fostering innovation, cooperation and the development of the knowledge base in rural areas; strengthening the links between agriculture, food production and innovation (including for the purpose of improving environmental management and performance) and fostering lifelong learning and vocational training in agriculture.

- enhancing competitiveness
- restoring, preserving and enhancing ecosystems
- promoting resource efficiency and supporting the shift to a low carbon climate resistant economy

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## Knowledge transfer and skills development

The scheme is intended to respond to skills development and knowledge transfer needs identified by the farming industry, as represented by industry organisations and related bodies.

It is therefore aimed at demand-side bodies rather than at supply-side bodies, such as training providers. However, supply-side bodies may well benefit indirectly through demand-side led contractual arrangements.

The scheme supports eligible organisations by providing funding towards the setting up of group initiatives aimed at improving skills and transferring knowledge in the agricultural sector. These activities can include workshops, training programmes, coaching, demonstration activities, information activities and other group events.

Initiatives must either fill a gap in existing provision or offer a new and effective way of meeting a skills need where current provision has not achieved the desired effect. The initiatives may be one-off events, a series of events or a longer programme lasting generally not more than three years. Initiatives can be either locally based or national in coverage.

To be eligible for funding the lead organisation or body must be able to demonstrate that staff delivering the training or knowledge transfer actions have the necessary qualifications and experience. If staff are to be recruited following an award of funding, then it would be preferable for staff members, facilitators and trainers to be chosen through open competition or a tendering process.

The scheme supports project based initiatives but it does not support courses which form part of normal programmes or systems of education or formal vocational qualification at secondary or higher levels, for example SVQs.

Additionally, the scheme will not support training that is required to carry out the beneficiary's basic work activities. For example, training that would normally be expected to be delivered by employers to enable employees to deliver core activities.

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## Innovation

The scheme strongly supports innovative actions within the agricultural sector. Innovation is often described as a new idea that proves successful in practice.

Innovation may be technological, but also non-technological, organisational or social. Innovation may be based on new but also on traditional practices in a new geographical or environmental context.

The new idea can, for example, be a new product, practice, service, production process or a new way of organising things. Such a new idea turns into an innovation only if it is widely adopted and proves its usefulness in practice.

This scheme supports actions that are targeted towards innovation. Examples of the type of initiatives that the scheme will support include Monitor Farms and similar types of projects involving Operational Groups comprising of farmers, industry representatives, consultants, facilitators and others.

The Monitor Farm initiatives aim to realise benefits through encouraging knowledge exchange between members. This, in turn, often leads to the implementation of innovative solutions that are designed to deal with practical problems and issues on the ground.

These initiatives also serve to promote best practice through benchmarking and the involvement of farmers who participate and observe the benefits of implementing identified solutions first hand.

The scheme supports the running costs of Operational Groups involved in projects that aim to pilot new and innovative ideas to improve agricultural performance. Co-ordination of projects by bodies or organisations experienced in the delivery of such projects will be strongly encouraged.

KTIF is aligned with the European Innovation Partnership (EIP) for agricultural productivity and sustainability.

The EIP aims to promote a faster and wider transposition of innovative solutions into practice, and create added value by enhancing the uptake and effectiveness of innovation-related instruments.

The scheme helps fill gaps by better linking research outputs to tangible agricultural practice on the ground. It promotes incremental improvement and best practice by attempting to ensure that :

- learning from across Europe can be translated into innovative projects in Scotland, and
- learning from Scotland can be made available to farmers and land managers throughout the rest of Europe

Appropriate learning outcomes from supported projects will be communicated through the EIP network.

Operational Groups involve different members working collectively.

For example, it might involve farmers working alongside researchers, advisers, non-governmental organisations (NGOs) and businesses involved in the agricultural and land management sector to jointly develop and implement proposals for an innovative project that aims to deliver concrete improvements in agricultural and other land management practice.

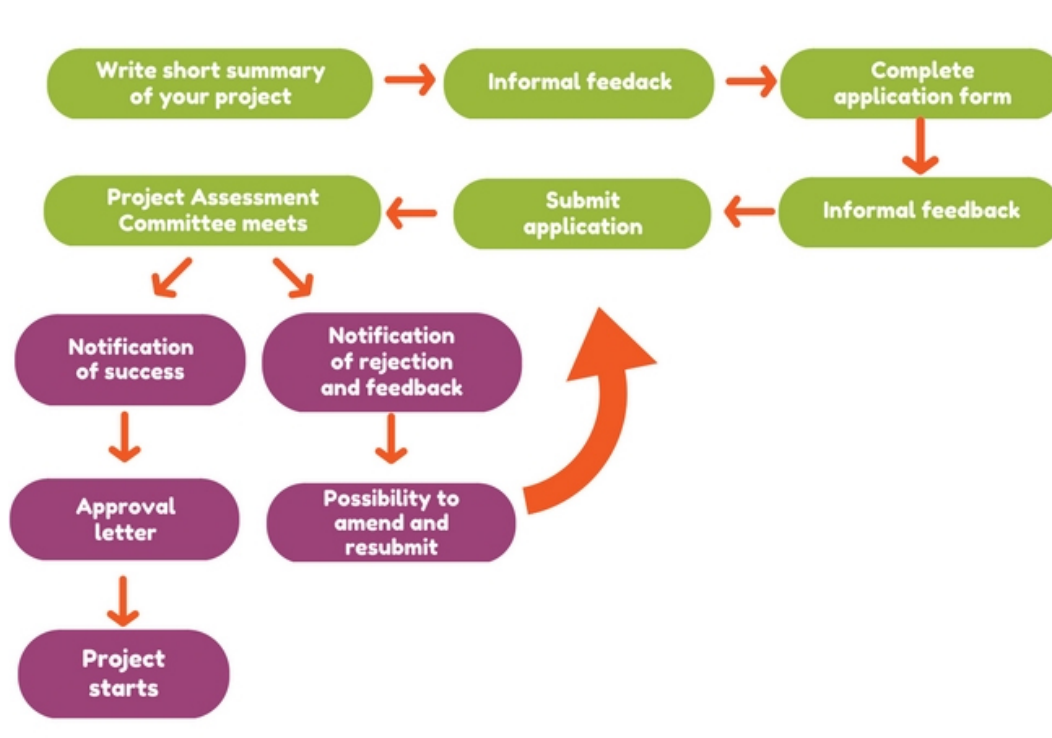
The Scottish Rural Network (SRN) promotes and encourages the formation of Operational Groups and the development of proposals for the KTIF through an innovation broker.

Once accepted and implemented, the learning from successful projects will be promoted through the Scottish Government's Farm Advisory Service, SRN and delivery partners, with a view to informing any revision to options and guidance.

Various means will be used to promote best practice and advice including websites, publications, conferences and workshops.

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## [Applying for grant](#)



## Applicant

If you would like to apply for this scheme, you must first be registered with Rural Payments and Services. You can find out more on how to do this by visiting our Customer Services pages.

### Customer Services

To be able to apply for grant under the scheme:

- you must be an eligible body (for skills development and knowledge transfer actions) or an operational group (for projects that aim to introduce innovations)

In relation to eligible bodies delivering knowledge transfer, skills development and/or information actions:

- your project must be delivered by suitably-qualified personnel
- the participants must be adult (16 years and over) farmers, crofters or other land managers, their employees or immediate family members who are actively involved in the management of the land or business
- your project must involve at least 10 eligible participants

For co-operation, pilot and demonstration or benchmarking projects, it is a requirement that the lead party for the project has a proven track record and experience in delivering or coordinating delivery of similar projects in agricultural, and land management.

## Eligible bodies

### *Skills Development and Knowledge Transfer Actions:*

Public and private sector organisations or bodies that deliver knowledge transfer, skills development and/or information actions to the benefit of those engaged in agricultural and rural land management are eligible

Some examples of eligible bodies are:

- an agricultural levy body
- an enterprise company
- a non-profit organisation

It will be important that eligible bodies demonstrate that delivery agents have the appropriate capacity in terms of knowledge, skills, experience and, where appropriate, qualifications.

As successful delivery of the actions/measures will depend upon, and be driven by, grant funded industry led proposals covering a range of topics and spanning different priorities and/or focus areas for rural development, different projects will have different capacity requirements.

It will be incumbent on applicants to demonstrate that delivery agents have the appropriate knowledge, skills and experience to deliver the project successfully.

For instance, an action involving a farmer demonstrating a particular farming method to other farmers during a pre-arranged farm visit might not need any formal qualifications at all.

Instead they might be expected to provide evidence that they have the appropriate knowledge, skills and length of experience to demonstrate the methodology to others.

On the other hand, a delivery agent providing tuition, in a classroom setting, to recipients on the environmental impact and adverse effect on habitats resulting from the improper use of herbicides or pesticides may require formal qualifications and be required to demonstrate an appropriate level of continued professional development through a professional body and/or training.

#### *Pilot and other projects designed to introduce innovations in agriculture:*

Collaborative projects involving public and/or private sector organisations or bodies involved in the delivery of innovative projects (including pilot projects) designed to benefit the sustainability of the agricultural and land management sectors are eligible to apply.

Such collaborations (or "Operational Groups") might, for example, include farmers, researchers, consultants, facilitators, advisers, NGOs and businesses involved in the agriculture and food sector working collectively on a project.

The lead party of the operational group or co-operation project should have a proven track record in delivering similar projects in agriculture.

With the exception of projects in support of innovative actions i.e. knowledge transfer and skills development projects (see [Innovation](#) above), an important principle is that the applicant body should not directly benefit, either financially or in-kind from the project.

### **Eligible projects**

#### *Skills Development and Knowledge Transfer Actions*

Projects that promote vocational training and skills development in the form of workshops, training courses, coaching, demonstration activities, information actions and farm visits.

Examples include:

- projects to help farm businesses adapt to climate change
- projects to help equip new entrants to farming with the right business skills and help with succession planning
- projects to provide farmers with the knowledge and skills to adopt precision farming technology
- projects to establish business improvement groups for various livestock sectors
- projects to enhance crofting skills

#### *Pilot and other projects designed to introduce innovations in agriculture*

The KTIF grant scheme is designed to support demonstration or benchmarking and similar types of innovative projects. For example, Monitor Farms as well as pilot projects and co-operation projects that aim to introduce innovative approaches to agricultural and land management practice.

The types of projects that are supported in this area are:

- the operation of Operational Groups to implement projects that aim to introduce new processes and utilise new technologies and techniques in the agricultural sector, which in turn are expected to deliver improved productivity and/or sustainability
- operational groups that aim to test out new ideas through projects which adapt existing techniques/practices to new geographical/environmental contexts
- operations that strengthen the links between agriculture, research and innovation by applying research findings to agricultural projects, testing viability and evaluating the degree to which productivity and/or sustainability benefits can be achieved

This will include ongoing planned support for new Monitor Farm projects. Monitor Farm projects allow farmers to hear recommendations from different sources, discuss options with peers and try out new techniques in the field.

The initiative is led by farmers for farmers, and aims to improve productivity, profitability and sustainability.

Grant funding does not extend to support for purchase of capital equipment or fixed assets that would have an extended use beyond the duration of the supported project or initiative.

In relation to the project, a requirement is that no European or national funding has been applied for or obtained.

### **Submitting your proposal**

Proposals must be submitted on an application form (KTIF 2 (2015)), along with all other supporting documentation.

#### [KTIF 2 \(2015\)](#)

Eligible bodies or organisations are required to submit proposals explaining:

- what is planned
- why funding is required
- how much funding is required
- level of proposed contribution (for knowledge transfer and skills development projects only)
- what is expected to be achieved and when
- how it is proposed to carry out the project

The proposal needs to include:

- details of the status and aims of the applicant organisations along with details of experience in delivering similar projects
- details of governance arrangements where more than one entity is involved and how project partners will work together

You should also include details of project proposals including:

- a description of the project
- detailed evidence and how the project will support the EU and SRDP aims and objectives
- if you are applying for innovation funding you will need to address how your project is innovative
- a needs analysis providing justification for the project, including details of how the project will meet European Union and SRDP aims, objectives and priorities
- explanation of why funding is needed and what difference it will make to the project
- economic, social and/or environmental impact of project
- project aims, objectives, timescales, milestones and targets/measures of success
- anticipated outputs and outcomes
- costs of project, broken down by item
- project funding proposals, including details of funding sources (private sector funding, other public sector funding or participants' contributions)
- project management and delivery proposals (including the details and qualifications of trainers and other personnel involved)
- project governance arrangement where more than one entity is involved and how project partners will work together
- project evaluation and monitoring proposals
- details of participants and/or, as appropriate, details of the target audience and how participants will be attracted/selected
- how the results of the project will be disseminated

Applications can be submitted on a continuous basis throughout the year. Funding is released in four phases covering the periods:

- January-March
- April-June
- July-September

- October-December

The budget for each period will be determined in advance and grant awards will be prioritised as necessary.

Applications must be e-mailed using KTIF 2 (2015) provided, linked above.

This should be submitted alongside any other supporting documentation. Your application form must be completed by the body or bodies responsible for managing the project.

You are encouraged to discuss potential applications with the Rural Business Development Branch in the Scottish Government in advance of any proposals being submitted.

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## Project Assessment Committee

### **Membership of the Project Assessment Committee**

The purpose of the Project Assessment Committee (PAC) for this scheme is to provide a forum to assess applications for assistance.

It also provides a forum for monitoring the operation of the Scheme and considering whether any changes should be introduced.

The PAC is chaired by the Deputy Director, Agriculture and Rural Development Division, which is responsible for overall policy and management of the scheme.

It also includes representatives from other parts of the Scottish Government, including the Rural Payments and Inspections Division and other bodies such as Scottish Natural Heritage, among others.

Where appropriate, additional expertise or knowledge is sought from other areas of Government and related bodies on a case-by-case basis. The Scottish Government's Rural Business Development Branch provides the Secretariat.

### **Terms of reference**

The terms of reference of the PAC are:

- (a) to consider and determine applications for assistance under the KTIF, including the level of grant and any conditions to be imposed
- (b) to monitor the operation of the Scheme and to consider any adjustments needed to achieve its objectives more effectively

### **Rules of procedure**

The committee may operate by face-to-face meetings or by electronic or other means of communication.

A meeting may be convened by the Chair acting on their own initiative or at the request of a permanent member of the PAC.

Meetings should normally be held at least once every three months, depending on the number of applications and other issues to be considered by the PAC.

Where appropriate, for example to provide a timely response or to deal with an urgent matter, the PAC may operate other than by a face-to-face meeting. Where appropriate or necessary, the PAC may call upon the advice of non-members.

The PAC should aim to determine each application within twelve weeks of its receipt by the Secretariat.

The Secretariat will record the decisions and key considerations in each case and maintain, and provide at each meeting, appropriate records of all cases received and decisions made.

Decisions on applications will, wherever possible, be taken by consensus, as will any recommendations for amendments to the scheme.

It may be that certain projects pass the PAC but are held over until the next funding round due to budget prioritisation.



## Application selection criteria

Proposals will be assessed on the basis of:

- **the benefits to be gained, as assessed against national objectives and European Union objectives and priority areas**

For national objectives, projects will be assessed against the Scottish Government's Purpose, the National Performance Framework and the Government Economic Strategy.

The achievement of the objectives of rural development, which contribute to the Europe 2020 strategy for smart, sustainable and inclusive growth, shall be pursued through the following four European Union priorities for rural development.

These translate the relevant Thematic Objectives of the Common Strategic Framework (CSF):

- fostering knowledge transfer and innovation in agriculture and rural areas
- enhancing competitiveness of all types of agriculture and enhancing farm viability
- restoring, preserving and enhancing ecosystems dependent on agriculture
- promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in the agriculture and food sectors

- **feasibility and the degree to which the viability and long-term benefits of the project can be demonstrated**

This is an assessment of whether the project can be successfully completed within the specified timescales, to the agreed standards, and that payment will be realistically claimed within the defined timescales.

- **value for money**

Value for money is based not only on the minimum purchase price (economy) but also on the maximum efficiency and effectiveness of the purchase.

It not only measures the cost of goods and services, but also takes account of the mix of quality, cost, resource use, fitness for purpose, timeliness, and convenience to judge whether or not, together, they constitute good value.

Achieving value for money is also often described in terms of the 'three Es' - economy, efficiency and effectiveness.

- **types of projects**

Giving recognition to the scope and magnitude of anticipated benefits, such as landscape/ecosystem scale projects, requiring grant assistance. Co-operation type projects will be preferred as well as projects promoting innovation.

- **targeting**

Identifying applications which will deliver the intended outcome most effectively.

- **delivery experience**

Applicants need to have a track record and be experienced in delivery.

- **long-term benefits**

Will the project deliver outcomes beyond the period of funding?

- **affordability**

Having regard to budget provision i.e. the level of grant required (grant will be the minimum necessary for the project to proceed).

- **contributory funding**



The contributions being made by the other bodies involved (for knowledge transfer and skills development projects only).

- **industry buy-in**

The level of industry buy-in, such as funding or other resources contributed by participants or industry bodies.

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## What grants can be used for

The grant rate for Knowledge Transfer and Skills Development proposals will be 75 per cent of eligible costs.

In relation to innovation projects that introduce new practices, processes and technologies that aim to deliver benefits to the wider agricultural community, the grant rate will be 100 per cent of eligible costs.

Consideration will be given to:

- value for money and the benefits to be gained from the project
- the level of grant required and industry buy-in
- the contribution being made by other bodies involved in the project
- the types of project costs requiring grant assistance

In terms of industry buy-in for Knowledge Transfer and Skills Development proposals, the Scottish Government would expect to see, from the outset, a commitment from the industry to contribute funding as evidence of the importance that the industry places on the project.

While contributions from participants can be taken into account, this tends to demonstrate the individual's assessment of the value of the training to them rather than the industry's commitment to the project.

### **Costs that could be supported**

Grant assistance will be based on actual costs involved.

Firstly in relation to projects which promote vocational training and skills development support offered through this measure will include:

- training courses
- workshops
- coaching
- demonstration activities
- information actions
- benchmarking
- farm visits
- projects that aim to deliver innovative approaches

Eligible costs will include the cost of organising, delivering and implementing projects. The following project cost may be supported:

- development costs
- fees travel and subsistence cost of training providers
- event hosting cost (including venue and catering hire)
- project management costs
- essential course material
- publicity
- other necessary costs required for the successful delivery of the project

Secondly, in relation to innovative projects support will be provided for operational groups working in co-operation in the delivery of new and innovative projects (including pilot projects).

Eligible costs will fall mainly under the running costs of the cooperative project and on direct costs of specific projects linked to detailed approved plans.

The co-operation measure can cover five types of cost:

- studies/plans – studies of the area concerned and the drawing up of business plans
- animation – this essentially covers the recruitment of participants in a project and networking between them required to define a project adequately and get it off the ground
- running costs of the co-operation – the running costs in question are not all running costs of the projects, but rather the running costs arising from the act of co-operation. An example would be the salary of a co-ordinator
- direct costs of specific planned projects – are direct costs which arise directly from the activities of the project rather than from preparatory studies, animation or ongoing coordination. This would be specifically targeted to projects focused on innovation
- promotion – this overlaps somewhat with the category above and refers to direct costs arising from promotional activities

Payments will be staged depending on each individual project and the agreed milestones. Claims for actual costs need to be supported with properly receipted invoices/bank statements and proof of expenditure.

### **Items and activities that cannot be supported**

The European Union Regulation does not permit funding for normal education programmes at further or higher levels.

Funding support cannot be provided for projects or activities that are already taking place and would normally be expected to occur without grant assistance.

In relation to vocational training and skills development in the form of workshops, training courses, coaching, information actions and farm visits events, the below costs shall not be considered eligible for grant support:

- travel for participants
- accommodation for participants
- daily expense for participants
- cost of replacing a farmer when participating in an event

In assessing the applications that come in there will be a need to be an assessment of the eligibility of the applicant and the eligibility of the application.

### **Claiming grant conditions**

If your application is successful, you will receive an approval letter KTIF 3 (2015). You must sign and return the letter before any expenditure is incurred.

Interim and final grant payments must be claimed using claim form KTIF 4 (2015), which will be available later in 2015.

The grant claiming process will vary depending on the type and duration of the project.

The conditions under which grant is paid by the Scottish Government will be detailed in the Schedule attached to the approval letter KTIF 3 (2015).

### **Inspection and verification checks**

The Scottish Government may carry out checks or seek clarification, further supporting evidence or information relating to any aspect of an application or a claim for payment.

- grants will be paid on actual expenditure based on receipted invoices/bank statements and evidence of satisfactory progress at agreed intervals
- the Scottish Government may, at any reasonable time, seek to verify the accuracy of any information contained in an application or a claim for payment or any other information, provided by the applicant relating to the project
- the project will be subject to monitoring by the Scottish Government as detailed in the grant offer letter to ensure that outcomes are met. The project will be monitored as it progresses and an evaluation of the project will be required upon completion. A request may therefore be made for a progress report, or after completion, a report on the project's performance
- the applicant will be required, on request from the Scottish Government to co-operate by permitting full access to records relating to the project.

To ensure full access, applicants must:

- retain all invoices/bank statements, accounts and other relevant documents in relation to the application and produce them for inspection if required to do so
- provide such additional information in relation to the investment or project or grant monies paid in pursuance of that investment or project as required
- retain all records relating to a project for a period of five years following the completion of the project and the payment of the final grant in support of that project

### **Breaches of scheme rules and conditions**

The Rural Development (Scotland) Regulations 2015 make provision for the revocation and variation of approval, the withholding or recovery of grants and the payment of interest on grants recovered.

They also create offences of knowingly or recklessly making a false statement to obtain grants or obstructing authorised persons acting under the regulations.

The penalties under this Scheme may require the applicant to pay an additional penalty and prohibit the applicant from applying for further grant assistance under the Scheme for a specified period.

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## PAC Approved Projects



[Approved Projects - January 2017 \(MS Word, Size: 39.3 kB\)](#)

doc\_external\_url: [https://www.ruralpayments.org/media/resources/ktif\\_-\\_approved\\_projects\\_-\\_january\\_2017.docx](https://www.ruralpayments.org/media/resources/ktif_-_approved_projects_-_january_2017.docx) KTIF - PAC - Approved Projects - January 2017

## Your information

The information you provide us with as part of your application will be treated as confidential, although we may share some of it with other relevant bodies to help us make a decision about funding or to meet certain legal requirements.

You can find out more in our [privacy policy](#).

## Appeals and complaints

### **Appeals**

The Knowledge Transfer and Innovation Fund (KTIF) Project Assessment Committee (PAC) is responsible for making decisions on applications to the fund.

However, if you disagree with any decision not to fund your project as a result of scoring and assessment by the PAC, you are entitled to request that a review of the decision be undertaken by the National Project Assessment Committee (NPAC).

If you wish to request such a review, contact should be made with the KTIF Project Team. Contact details are provided at the foot of this page.

### **Complaints**

A complaint is an expression of dissatisfaction with our standard of service, procedures, or processes that you feel requires a response or explanation from us. You or your representative may complain in person by phone, by email or in writing.

All complaints will be treated seriously by us and you will receive a full response. Our complaints procedure has two stages:

- stage one – frontline resolution
- stage two – investigation

Complaints about an alleged failure to apply the regulations or scheme rules correctly should be referred in the first instance to the KTIF Enquiries telephone, e-mail or fax. Contact point details are provided at the foot of this page.

If you are dissatisfied after frontline attempts are made by the KTIF Team to resolve any issues, you are entitled to request that the matter be reviewed by writing to the Head of Agricultural Development and Crofting Branch whose address is listed below.

Complaints related to alleged mistreatment or unsatisfactory service by members of staff will be undertaken using the separate Scottish Government complaints procedure.

Details can be found on the Scottish Government website. This will again involve the Scottish Government working to resolve the issue locally, or failing that, an Investigating Officer being appointed to investigate the complaint.

[Scottish Government complaints procedure](#) .

If you remain dissatisfied you have the option of referring your complaint to the Scottish Public Service Ombudsman (SPSO). You should note however that the SPSO will generally not investigate complaints unless they have been dealt with, in the first instance, by the public body's internal complaints procedure. More information can be found at the Scottish Public Services Ombudsman website.

[Scottish Public Services Ombudsman](#)

## [Contact details](#)

### **Appeals and initial complaints**

KTIF Enquiries: 0300-244-9749

[Email](#)

Fax: 0300-244-6777

### **Requests for reviews**

Head of Agricultural Development and Crofting Branch  
The Scottish Government  
Agriculture, Food and Rural Communities Directorate  
D Spur, Saughton House  
Broomhouse Drive  
Edinburgh  
EH11 3XD

[Email](#)

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