

2014 to 2020 European Structural and Investment
Funds Growth Programme

Call for Proposals
European Regional Development Fund

**Sustainable Urban Development Strategy:
(Greater Manchester)**

Managing Authority:	Department for Communities and Local Government
Fund:	European Regional Development Fund
Priority Axis:	Priority Axis 1: Promoting Research and Innovation Priority Axis 4: Supporting the Shift Towards a Low Carbon Economy in all sectors
Call Reference:	OC15R17S 0538
Local Enterprise Partnership Area:	Greater Manchester
Sustainable Urban Development Strategy	Greater Manchester LEP and Combined Authority SUD
Indicative Fund Allocation(s)	Priority Axis 1: £ 5,000,000 Priority Axis 4: £ 16,000,000
Call Open:	Friday 30 June 2017
Call Closes:	23:59, 30 November 2017 Assessment points: 31 July 2017 31 August 2017 30 September 2017 31 October 2017

Contents

1.	Introduction.....	3
2.	Call Context.....	4
3.	Scope of the Call	5
3.1.	Scope.....	5
3.2.	Local Development Need	7
3.3.	Operational Programme Investment Priorities.....	10
4.	Required Outputs under this Call	21
5.	Application Process & Prioritisation Methodology	23
6.	General Information.....	26
6.1.	National Eligibility Rules.....	26
6.2.	Eligible Applicants	26
6.3.	Contribution Rate & Match Funding	27
6.4.	Project Timescales.....	27
6.5.	Capital Projects	28
6.6.	Cross Cutting Themes/Horizontal Principles	28
6.7.	Additionality, Duplication and Displacement	28
6.8.	State Aid & Revenue Generation	29
6.9.	Procurement.....	29
7.	Support.....	29
8.	Key Documents	30
9.	Document Checklist.....	30
10.	Document Submission.....	30

1. Introduction

The 2014 to 2020 European Structural and Investment Funds bring the European Regional Development Fund, European Social Fund and part of the European Agricultural Fund for Rural Development together into a single European Union Structural and Investment Funds Growth Programme for England supporting the key growth priorities of innovation, research and development, support for Small and Medium Sized Enterprises, low carbon, skills, employment, and social inclusion.

The Government has confirmed that it will guarantee EU funding for structural and investment fund projects signed before the UK's departure from the EU, even when these projects continue after we have left the EU.

As a result, British businesses and other organisations will have additional certainty over future funding and should continue to apply for EU funding while the UK remains a member of the EU.

Funding for projects will be honoured by the government, if they meet good value for money and are in line with domestic strategic priorities. Each government department will take responsibility for the allocation of money to projects in line with these conditions and the wider rules on public spending. The full detail of the announcement can be found at the following [website link](#).

The Funds are managed by the Department for Communities and Local Government for the European Regional Development Fund, Department for Work and Pensions for the European Social Fund and the Department for Environment, Food and Rural Affairs for the European Agricultural Fund for Rural Development. These Departments are the Managing Authorities for each Fund. In London, the Greater London Authority acts as an Intermediate Body for the European Regional Development Fund and European Social Fund programmes.

The Greater Manchester Combined Authority has been designated as an Intermediate Body for the Greater Manchester Sustainable Urban Development Strategy to perform the following tasks:

- Input into project calls in respect of local development needs (with reference to the local European Structural and Investment Funds Strategy and Sustainable Urban Development Strategy); and
- Assessment of applications against certain selection criteria in relation to fit with local priorities in respect of the European Regional Development Fund.

The Managing Authorities and Intermediate Bodies work closely with local partners on ESI Funds Sustainable Urban Development sub-committees in each Local Enterprise Partnership area. Partners on these sub-committees provide:

- Practical advice and information to the Managing Authorities to assist in the preparation of local plans that contribute towards Operational Programme priorities and targets;
- Local intelligence to the Intermediate Body in the development of project calls that reflect Operational Programme and local development needs as well as match funding opportunities; and
- Advice on local economic growth conditions and opportunities within the context of the Operational Programme and the local European Structural and Investment Funds Strategy to aid the Intermediate Body's assessments at outline and full application stage.

This call is issued by the Department for Communities and Local Government/Greater London Authority and invites Outline Applications in respect of the European Regional Development Fund for England 2014 to 2020.

2. Call Context

On behalf of the national Growth Programme Board, the Department for Communities and Local Government (the Managing Authority) invites applications seeking European Regional Development Fund investment to support delivery of the Greater Manchester Sustainable Urban Development Strategy. Applications are invited under the Priority Axis of the European Regional Development Fund Operational Programme set out in the tables below.

N.B Under this call an application can be made for a project:

- That would be funded from one of the Priority Axis set out below – projects need not meet the requirements of all of the Priority Axis;
- That would be funded from more than one of the Priority Axis set out below.

Applications made under more than one Priority Axis should be for a coherent project that clearly links concurrent or sequential activities under each Priority Axis. Please note the limits on project duration set out in section 6.4 when considering whether to apply under more than one Priority Axis, particularly if the activities under the Priority Axis are sequential. .

Investment Priorities:

- 1a** Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest
- 1b** Promoting business investment in R&I; - developing links and synergies between enterprises, research and development centres and the Higher Education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public

service applications, demand stimulation, networking, clusters and open innovation through smart specialisation; and supporting technological and applied research, pilot lines, early product validation actions, advance manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies.

- 4a** Promoting the production and distribution of energy derived from renewable sources.
- 4b** Promoting energy efficiency and renewable energy use in enterprises.
- 4c** Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector.
- 4e** Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures
- 4f** Promoting research and innovation in, and adoption of, low-carbon technologies.

Any application for funding will be required to clearly demonstrate that it meets the requirement of, and makes a meaningful contribution to, the delivery of the relevant Priority Axis of the [European Regional Development Fund Operational Programme](#).

In addition, applications will be expected to meet identified local development needs, as expressed in the scope of this call and as set out in the [Local Enterprise Partnership area](#) European Structural and Investment Funds Strategy and the Greater Manchester Sustainable Urban Development Strategy.

Applicants are advised to familiarise themselves with the detail of the Operational Programme, local European Structural and Investment Funds Strategy, Greater Manchester Sustainable Urban Development Strategy and the relevant documentation listed in sections 5 through to 8 **prior to** submitting an Outline Application.

3. Scope of the Call

3.1. Scope

This call invites Outline Applications which support the delivery of Priority Axis 1 and 4 of the European Regional Development Fund Operational Programme and respond to the local development needs set out in the [Local Enterprise Partnership area](#) European Structural and Investment Funds Strategy and the Greater Manchester Sustainable Urban Development Strategy.

Please note that projects will only be selected if they contribute to the delivery of the Greater Manchester Sustainable Urban Development Strategy. Projects that do not support this strategy will not be selected even though they may support the wider ERDF Operational Programme or the [Local Enterprise Partnership area](#) European Structural and Investment Funds Strategy

<p>Indicative Fund Allocation:</p>	<p>Indicatively, through this call the Managing Authority expects to allocate up to:</p> <p>Priority Axis 1: £ 5,000,000</p> <p>Priority Axis 4: £ 16,000,000</p> <p>The Managing Authority reserves the right to invite to full application (and subsequently approve) projects that have a cumulative value that is higher or lower than this indicative allocations, subject to the volume and quality of proposals received. The Managing Authority may also decide to place some projects submitted through this call on a reserve list and invite them to proceed at a later date, subject to the availability of funding.</p> <p>There is no indicative allocation of European Regional Development Fund funding between capital and revenue activity, both capital and revenue is eligible dependent on the nature of activities/Investment Priorities set out in the call.</p>
<p>Minimum application level</p>	<p>European Regional Development Fund investment is intended to make a significant impact on local growth. Applications are expected to demonstrate appropriate scale and impact. The Managing Authority does not intend to allocate less than £500,000 European Regional Development Fund to any single project. Consequently projects with a total value of less than £1,000,000 will not normally be supported under this call.</p> <p>For applications made under more than on Priority Axis the total amount of ERDF requested will be assessed against the values above There is no minimum requirement at Priority Axis level.</p> <p>Cross Priority Axis projects must however demonstrate the linkages between the activities supported under each Priority Axis. Applications will be rejected if, in the opinion of the Managing Authority, separate projects under different Priority Axis are presented as a single project to artificially meet the values above.</p>

Duration of project activity	Projects should plan to deliver activity for a maximum of three years; however the Managing Authority reserves the right to vary the maximum duration, upwards or downwards.
Geographical Scope	<p>The England European Regional Development Fund Operational Programme operates on a National basis. All eligible European Regional Development Fund expenditure must benefit organisations located in England.</p> <p>Revenue projects should predominantly support businesses based within the Local Enterprise Partnership area of this call.</p>
Specific call requirements	N/A
Call Deadlines	<p>For this specific call, applications will be assessed in batches at specific points, 31 July, 31 August, 30 September, 31 October and 30 November 2017.</p> <p>Please note that the entire amount of ERDF funding allocated to this call may be allocated at the first assessment point. If this happens the Managing Authority may choose to close this call or to leave the call open and continue to assess applications, however, these applications will only progress if there is sufficient funding available, in effect projects will be placed on a reserve list.</p> <p>Applications received after the published call close date will not be considered. .</p>

3.2. Local Development Need

Projects must deliver activity which directly contributes to the objectives of Priority Axis 1 and Priority Axis 4 of the Operational Programme, one or more of the relevant Investment Priorities and meet the local development need expressed in the table below.

LOCAL DEVELOPMENT NEED
<p>Local Growth Priorities:</p> <p>The Greater Manchester Sustainable Urban Development Plan covers an ERDF allocation of £21m, combining allocations for PA4 (Low Carbon Economic Transition) (£16m) and PA1 (Innovation) (£5m). It is intended that it will complement and work with existing Greater Manchester ERDF funded activities, including business support programmes (particularly the Business Growth Hub; Innovation Support; Sector Support; and Carbon Reduction projects) the Greater Manchester Low Carbon Fund (Evergreen) and projects funded under the Science Asset Base and Science</p>

Commercialisation calls for projects.

The Plan aims to support the delivery of Greater Manchester's Climate Change and Low Emission Strategies and specifically the Whole Place Implementation Plan for Greater Manchester (2016-2020). ERDF Activities will be used to deliver projects that are compliant with EC regulations on eligible activities in PA1 and PA4, and support:

“increasing the capacity and funding to deliver low carbon infrastructure (including renewable energy, energy management/storage and energy efficiency technologies) with all actors within GM including community groups, academia, the public sector and businesses. These activities will lead to innovation and incentivising renewable energy technology uptake, increased energy efficiency and smart grid deployment;”

The GM Sustainable Urban Development plan seeks to create innovative demonstration projects which build on existing activity in GM across the three areas of:

- Technology Innovation – support for development and testing of new technologies
 - Using and building on GM's existing capabilities to develop, test and innovate low carbon and energy efficiency products which can then be piloted at scale in a physical demonstrator.
- Integration Innovation – blending different technologies and smart processes in demonstration facilities at the building or community scale
 - Technological innovation can be combined with the innovative integration of products, with each other and the grid, to blend and test different types of technology within demonstration scale pilots.
- Delivery Innovation – testing commercial business models for roll out, marketing, engagement etc, and overcoming non-technological (societal, political etc) barriers.
 - to test different business models at scale in order to determine which are the most appropriate for the market.

The ultimate aim of the plan is to develop GM's whole place low carbon infrastructure to support the low carbon transition, including energy & waste to energy infrastructure and investment in GM's strategic transport network/systems. The GM Sustainable Urban Development Plan sets out two Strategic Activities to be taken forward:

1. Develop GM's whole place low carbon infrastructure to deliver resilient/well adapted places to support the low carbon transition, including energy & waste to energy infrastructure and investment in GM's strategic transport network/systems.

Activities may include:

- Investing in renewable energy, energy storage and energy efficiency technologies to reduce GMs carbon emissions and improve environmental quality, in partnership with stakeholders including community groups, the

public sector and businesses;

- Activities to support low carbon transport systems and choices;
- Building collaborative research between enterprises, research institutions & public institutions;
- Supporting businesses, including social enterprises, to commercialise relevant low carbon Research & Development activities.

2. Develop and demonstrate whole building energy efficiency/low carbon energy generation based on the strengths of Greater Manchester's research institutions in development of power and smart metering systems, energy management and low carbon sustainability.

Activities may include:

- support for energy efficiency measures in public, commercial and domestic buildings and demonstrators for innovative energy efficiency technologies
- support the deployment of building scale and networked low carbon heat and power
- support the deployment of advanced building and area management and monitoring systems to enable energy efficiency and associated behavioural change
- support the adaptation of buildings to cope with expected climate change
- Building collaborative research between enterprises, research institutions & public institutions;
- Supporting businesses including social enterprises to commercialise Low Carbon Research & Development

Projects should develop and build upon existing innovation across the energy system. This should encompass a range of interventions, from decentralised energy generation, commercial energy efficiency measures, domestic energy efficiency measure demonstrators, urban mobility, process integration, storage, energy monitoring and control. Proposals should build upon the lessons learnt from existing GM programmes and also connect with existing local business support activity for local suppliers to benefit from the market created; work with existing academic resources and link to existing and emerging GM delivery structures.

Achieving our targets cannot be accomplished in isolation. Attaining carbon and air quality targets require significant collaborative action and commitment to reduce emissions from the private and voluntary sectors, wider public sector and the general public. Our preferred model is to encourage and, where possible, support a systemic approach by bringing together key stakeholders to work collectively on these goals.

Local Priorities:

These activities should contribute to the delivery of one or more actions from the Whole Place Implementation Plan for Greater Manchester (2016-2020):

- Delivery of a large-scale demonstrator of smart heat systems within Greater Manchester e.g. research, piloting and demonstration of technologies or the

integration or management of smart system and heat technologies

- Delivery of a programme of identified local energy efficient heat networks and plan for their longer term integration e.g. through the innovative integration of technologies with/within proposed heat networks funded through the Low Carbon Investment Fund
- Development of alternatives to existing energy systems, including hydrogen and other storage initiatives e.g through demonstration of new low carbon technologies and their integration into the existing energy system.
- Work with commercial building owners and major occupiers to increase commercial building retrofit e.g. through improving transparency of real time energy performance
- Identification and delivery of mechanisms to improve poorly performing building stock with low carbon development, particularly where this can also address ill health, poverty and productivity challenges e.g. innovative design and delivery of programmes to enhance the energy efficiency and resilience on buildings
- Support businesses, organisations and people to be more energy efficient.....by developing complimentary services with the existing offer e.g. support services and advice to organisations and business on smart energy innovation and/or energy efficiency which provide additionality to existing programmes
- Exploitation and promotion of the cutting edge research developed by our universities, harnessing the innovations that arise from it, including implementing eco-innovation projects, e.g. through laboratory scale testing of new technologies to support product testing and innovation
- Deliver new infrastructure to cut emissions e.g. piloting and demonstration of innovation to energy distribution networks
- Stimulate the uptake of Ultra Low Emission Vehicles (ULEV) e.g. through enhancing demonstration or innovation to GMs EV charging infrastructure or innovation in technology or delivery mechanisms
- Demonstrate the potential of alternative fuel transport and reducing emissions from heavy goods vehicles e.g. by demonstrating new technology or delivery systems which will lead to reduced carbon and other emission to support improved air quality

3.3. Operational Programme Investment Priorities

Applications must specify the activities to be delivered and must directly contribute to **one or more** of the following Investment Priorities:

<p>Investment Priority</p>	<p>1a – Enhancing research and innovation infrastructure and capacities to develop research and innovation excellence, and promoting centres of competence, in particular those of European interest.</p>
<p>Specific Objectives</p>	<p>Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European</p>

	interest.
Indicative Actions	<p>The purpose of support under this investment priority will be to build or enhance infrastructure that in due course will contribute to the greater commercialisation of products, services and processes.</p> <p>Under this investment priority indicative actions to be supported by the European Regional Development Fund may include:</p> <ul style="list-style-type: none"> • Specialist infrastructure/facilities/centres linked to smart specialisation including enhancements to science parks and to improve access to these facilities through digital and physical links. • Investment in the development and upgrading of innovation space, with capability to serve as a platform or host for innovation and innovative relationships. • Improved incubation space to enable research and development and innovation. • Shared use research laboratories and facilities, particularly targeted at the Eight Great Technologies as set out in “Smart Specialisation in England”. • Development of enterprise, innovation and technology hubs and centres of excellence, in line with the approach set out in “Smart Specialisation in England”. • Development and upgrading of appropriate test facilities and deployment infrastructure. <p>In all cases, actions will include provision of appropriate equipment and staff resources.</p> <p>Activity under this specific objective will also underpin activity under the other specific objectives within this priority axis, by enabling investment in infrastructure, facilities and equipment. This will contribute to the wider goal of improving the commercialisation of new products, services and processes by Small and Medium Sized Enterprises.</p>

	<p>Financial Instruments</p> <p>Financial instruments will not be supported under this call.</p>
--	---

<p>Investment Priority</p>	<p>1b – Promoting business investment in research and innovation;</p> <ul style="list-style-type: none"> • Developing links and synergies between enterprises, research and development centres and the Higher Education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation; • Supporting technological and applied research, pilot lines, early product validation actions, advance manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies.
<p>Specific Objectives</p>	<ul style="list-style-type: none"> • Increase investment in research and innovation by Small and Medium Sized Enterprises in sectors and technologies identified through smart specialisation. • Increase the number of Small and Medium Sized Enterprises engaged in knowledge exchange, collaborative and contract research and innovation with research institutions, public institutions or large enterprises in order to help them bring new products and processes to market.
<p>Indicative Actions</p>	<p>Under this investment priority indicative actions to be supported by the European Regional Development Fund may include:</p>

	<ul style="list-style-type: none"> • Support for smart specialisation collaborative and contract research and development including initiatives stimulating and facilitating productive innovation partnerships. • Support for the commercialisation of new products and business processes and initiatives, particularly targeted to aid innovation in the Eight Great Technologies as set out in “Smart Specialisation in England”. • Collaborative and contract research and development programmes. • Applied research programmes, particularly targeted at sectors and technologies set out in “Smart Specialisation in England”. • Innovation vouchers for Small and Medium Sized Enterprises. • Innovation support programmes for product design and development and systems integration. • Initiatives simulating the demand for new or improved services, processes and products including business-led and public procurement programmes. • Schemes providing practical, financial and material support for the innovation process within businesses. • Schemes stimulating and enabling graduate start-up and spin out from universities, colleges and research institutions. • Technology support programmes and demonstrator projects and programmes for current and future technologies. • Knowledge transfer programmes, particularly linked to priority growth sectors and the technologies set out in “Smart Specialisation in England”. • Support to engage more businesses in knowledge transfer and innovation, develop links to wider Higher Education institutions and research institutions and
--	--

	<p>demonstrate the benefits of working with knowledge base partners.</p> <ul style="list-style-type: none"> • Support for innovation ecosystems including business-led networks and open innovation ecosystems that reduce the complexity of interaction within and between organisations. • Activities promoting a smart specialisation approach and initiatives that develop the supportive environment for innovation in Small and Medium Sized Enterprises including the promotion of networks and industry groups in key sectors. <p>The focus of activity under this priority axis is improving commercialisation of new or enhanced products or services by Small and Medium Sized Enterprises, whether through increased investment or better collaborations, but this requires the involvement of a much wider group including larger firms in cooperation with their supply chains and other Small and Medium Sized Enterprises, Higher Education institutions, public sector institutions and research centres, Catapult Centres and other centres of excellence.</p> <p>Projects under this investment priority, including pilot or demonstrator activity, may include capital spend where this is integral to their delivery. This may include enhancements to premises or new build, equipment and facilities. Where new premises are to be built, then there must be clear evidence that demand is not met by existing supply.</p> <p>Financial Instruments</p> <p>Financial instruments will not be supported under this call.</p>
--	---

Investment Priority	4a – Promoting the production and distribution of energy derived from renewable sources.
Specific Objectives	Increase the number of small scale renewable energy schemes in England.
Indicative Actions	<p>Projects will support micro-energy installations, off-grid energy productions, renewable heat networks and ground and air source heat pumps:</p> <p>Under this investment priority, indicative actions to be supported by European Regional Development Fund may include:</p> <ul style="list-style-type: none"> • Measures to support increased production of renewable fuels and energy, in particular wind energy, solar and biomass • Support to build capability and capacity for supply chains in renewable energy • Demonstration and deployment of renewable energy technologies • Measures to support the wider deployment of renewable heat, including micro-generation, geothermal, renewable heat networks or district heating, ground source and air source heat pumps. Also including biomass systems with associated heat off-take and heat distribution networks along with recycling processing reprocessing and remanufacturing facilities, and • Anaerobic digestion plants and other biomass or landfill gas schemes. <p>Financial Instruments</p> <p>Financial instruments will not be supported under this call.</p>

Investment Priority	4b – Promoting energy efficiency and renewable energy in enterprises.
Specific Objectives	Increase energy efficiency in particular in Small and Medium sized Enterprises, including through the implementation of low carbon technologies.
Indicative Actions	<p>The main target group is Small and Medium Sized Enterprises.</p> <p>Under this investment priority indicative actions to be supported by European Regional Development Fund may include:</p> <ul style="list-style-type: none"> • Enhanced advice, support, information and action to promote innovation in businesses and how they operate, in order to deliver best practice in energy management. This will include innovation in energy efficiency and energy cost reduction to improve businesses’ competitiveness and resilience • Support to small and medium sized enterprises can deliver CO₂e savings through direct energy saving and savings through water, waste, transport and embodied energy in materials etc • Support to businesses to undertake ‘green’ diagnostics or audits of energy efficiency and potential for renewable generation and energy use, which will be followed by provision of energy efficiency information and guidance, tailored energy action plans and support to implement them • Investing in energy efficiency measures, processes and renewable generation capacity to improve a business’ or building’s environmental performance or its resilience to the impacts of climate change • Investing in measures to stimulate cost-effective deep renovations of buildings, including staged deep renovations • Supporting an increase in energy efficiency in enterprises including an emphasis on ‘whole place’ especially through improving industrial processes, designing out waste, recovery of ‘waste’ heat energy

	<p>and combined heat and power</p> <ul style="list-style-type: none"> • Supporting increased Small and Medium Sized Enterprises access to national and local government procured contracts for energy efficient goods and services • Developing low carbon innovation in relation to energy efficiency within enterprises, including through technologies and engagement practices <ul style="list-style-type: none"> • Building retrofit and energy efficiency measures, especially whole building solutions to exemplify, and support the commercialisation of next phase technologies which are near to market, and low carbon construction techniques to improve the energy efficiency of buildings. <p>Financial Instruments</p> <p>Financial instruments will not be supported under this call.</p>
--	--

Investment Priority	4c – Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector.
Specific Objectives	Increase the energy efficiency of homes and public buildings, through the implementation of low carbon technologies.
Indicative Actions	<p>Under this investment priority indicative actions to be supported by European Regional Development Fund may include:</p> <ul style="list-style-type: none"> • Provision of advice and support to increase the use and take up of low carbon technologies, energy efficiency measures, renewable energy technologies and smart energy systems in housing stock and public buildings • Supporting low carbon innovation in relation to the integrated ‘whole place’ energy management approach including energy waste and re-use

	<ul style="list-style-type: none"> • Standard retrofit can be an eligible part of a project when used in conjunction with innovative technology or as part of a whole place approach which can include the way combined retrofit technologies are used to deliver the whole place approach • Investing in building retrofit, energy efficiency measures, renewable and smart energy systems deployment, especially whole building or place solutions exemplifying next phase technologies which are near to market • Investing in domestic energy efficiency, renewable energy and smart construction techniques • Investment in the development and wider use of Energy Performance Contracting in the public buildings and housing sectors. <p>Financial Instruments</p> <p>Financial instruments will not be supported under this call.</p>
--	---

<p>Investment Priority</p>	<p>4e – Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures.</p>
<p>Specific Objectives</p>	<p>Increase implementation of whole place low carbon solutions and decentralised energy measures.</p>

Indicative Actions

Activity under this investment priority will be complementary to, and work alongside, activity under investment priority 4(a). Activity under this investment priority is based on a holistic approach to the reduction of greenhouse gas emissions, ensuring that actions are integrated within the framework of an overarching strategy or strategies.

In order to promote such strategies, examples of actions to be supported by European Regional Development Fund may include:

- investments in local/regional smart grid demonstration projects, including validation and solving system integration issues
- sustainable energy action plans for urban areas, including public lighting systems, smart metering and distribution through smart grids
- Investments in combined heat and power from renewable sources
- Investments to encourage the adoption of renewable technologies.

A strategic approach is particularly important in the area of low carbon transport, whether for sustainable urban mobility, or improving links between urban and rural areas, or connecting dispersed rural communities. Examples of actions include:

- investments in actions aimed at improving the capacity at local level to develop and implement integrated and sustainable transport strategies and plans (including for example actions related to modelling data collection, integrated transport management, operations and services, public consultation etc) to reduce transport related air pollution, in particular retrofit or replacement programmes for bus fleets, incentive schemes for cleaner transport, improved public transport infrastructure and alternative forms of transport
- investments in actions aimed at introducing innovative environmentally-friendly and low-carbon technologies (for example, alternative fuel stations or charging points)
- investments in actions aimed at developing innovative and multi-modal transport services (for example, intelligent transport systems for travel information and planning, traffic and demand management, smart

	<p>ticketing, multimodal integrated datasets or cooperative systems)</p> <ul style="list-style-type: none"> • innovative transport pricing and user charging systems • cycle paths, walkways and waterways only where part of an integrated approach to greenhouse gas reductions • The strategic use of green and blue infrastructure can form a significant part of a proposal to support the delivery of city cooling in urban areas. <p>Financial Instruments</p> <p>Financial instruments will not be supported under this call.</p>
--	---

Investment Priority	4f – Promoting research and innovation in, and adoption of, low-carbon technologies.
Specific Objectives	Increase innovation in, and adoption of, low carbon technologies.
Indicative Actions	<p>Under this investment priority indicative actions to be supported by European Regional Development Fund may include:</p> <ul style="list-style-type: none"> • Research and Development, innovation and supply chain work for low carbon technologies and materials, including; wave and wind energy, smart grids, distributed generation, solar and photovoltaics, heat networks, heat pumps and low carbon heat for energy intensive industries • Research underpinning carbon capture and storage, taking account of the restrictions laid down in Article 3.3.b of the European Regional Development Fund • Technology centres of excellence and test facilities, including relevant Catapult centres • Renewable technologies in the United Kingdom

	<p>renewable energy roadmap</p> <ul style="list-style-type: none"> • Research, development, demonstration and adoption of technologies and systems that support low-energy transport and accelerate the establishment of new technologies such as low emissions vehicles (electric, hybrid and hydrogen) • Knowledge transfer with Higher Education/Further Education institutions and Businesses • Supporting low carbon tech start-ups and greater commercialisation of low carbon products and processes • Developing financing methods that encourage the adoption of proven low carbon technologies and generate long-term financial savings • Demonstration and deployment of decentralised renewable energy technologies • Research, development and innovation and supply chain development for low carbon and resource efficient technologies and materials (including small scale pilot programmes that test the market with new low carbon solutions and the use of secondary materials). <p>Financial Instruments</p> <p>Financial instruments will not be supported under this call.</p>
--	--

4. Required Outputs under this Call

Applicants will need to demonstrate how the eligible activity, funded by the European Regional Development Fund will achieve the ERDF programme-level outputs for Priority Axis.

For projects proposing to deliver activity against more than one Priority Axis or more than one Investment Priority within a single Priority Axis, all appropriate outputs should be selected. Outputs should not be selected if funding is not being requested under the relevant Investment Priority. If approved projects will be required to report on, and evidence, eligible expenditure separately under each Priority Axis and the achievement of the outputs separately under each Investment Priority.

For projects coming forward under this call the expected outputs and results are:

Investment Priority 1a	
Output reference	Name
C25	Number of researchers working in improved research facilities
C26	Number of enterprises cooperating with research institutions
P01	Number of researchers working in improved research or innovation facilities
P02	Public or commercial buildings built or renovated

Investment Priority 1b	
Output reference	Name
C01	Number of enterprises receiving support
C05	Number of new enterprises supported
C26	Number of enterprises cooperating with research institutions
C28	Research, innovation: Number of enterprises supported to introduce new to the market product
C29	Number of enterprises supported to introduce new to the firm products
P01	Number of researchers working in improved research or innovation facilities

Investment Priority 4	
Output reference	Name
C01	Number of enterprises receiving support
C05	Number of new enterprises supported
C26	Number of enterprises cooperating with research institutions
C29	Number of enterprises supported to introduce new to the firm products
C30	Renewables: Additional capacity of renewable energy

C32	Energy Efficiency: Decrease of annual primary energy consumption of public buildings
C34	GHG reduction: Estimated annual decrease of GHG

The Managing Authority expects the level of outputs proposed within outline applications to be realistic and achievable and to deliver good value for money. The application should clearly state the methodology used to determine the levels of outputs proposed.

Projects will only be supported if they demonstrate good value for money. An important consideration when assessing value for money is the level of European Regional Development Fund Outputs that the project would deliver.

The Managing Authority has not set specific output targets for this Call and does not publish average or expected unit costs.

The Local ESIF Strategy for the LEP Area and the Greater Manchester Sustainable Urban Development Strategy include details of the local, notional European Regional Development Fund allocation to each Priority Axis and the type and number of European Regional Development Fund outputs that are expected in return for this investment.

All operations will be required to report regularly on progress toward achievement of targets. This will need to include both quantitative and qualitative data relevant to the appropriate geographical areas. Applicants will need to explain how they will collect and record this information to maintain a fully evidenced audit trail. It should be noted that if an operation fails to deliver contracted outputs, a performance penalty may apply.

5. Application Process & Prioritisation Methodology

There are two stages to the European Regional Development Fund application process:

- (i) Outline Application and, if successful
- (ii) Full Application.

Acceptance of an Outline Application to progress to full application stage does not in any way indicate or constitute an offer of European Regional Development Fund grant.

Applicants must fully complete the [Outline Application](#) which will be assessed by the against the national [Selection Criteria](#). The Intermediate Body will undertake the assessment against the selection criteria in relation to fit with local priorities.

If multiple PA call. Applicants submitting applications for projects seeking support from more than Priority Axis should note that:

- The project will be assessed against the requirements of all of the Priority Axis from which funding is requested.
- The application must demonstrate how the project would address the requirements of each of the Priority Axis from which funding is requested.
- Projects seeking funding from more than one Priority Axis may add an additional 100 words to sections 2.6 and 3 of the Outline Application for the second and each subsequent priority Axis from which funding is sought.
- The Outline Application Financial Tables Annexe must clearly identify the percentage of expenditure allocated to each Priority Axis. Use section 6.5 of the Outline Application should be used to clarify the allocation of costs between Priority Axis and Investment Priorities.
- Section 8 of the Outline Application should be used to clarify the number of outputs shown in the Application Deliverables Annexe associated with each Priority Axis.

Outline Applications will be assessed in two stages, Gateway assessment and Core assessment.

The Gateway assessment is undertaken by the Managing Authorities and considers:

- applicant eligibility;
- activity and expenditure eligibility; and
- fit with the National Operational Programme and the local development need set out in section 2.

Applications that fail the Gateway assessment undertaken by the Managing Authority will be rejected.

Applications which pass the Gateway assessment will then be assessed by the Intermediate Body and Managing Authority in relation to all Core assessment criteria.

The Intermediate Body will assess the application against the following Core assessment criteria:

- Local Strategic Fit

The Managing Authority will assess the application against the following Core assessment criteria:¹

- National Strategic Fit
- Value for money
- Management and control
- Deliverability
- Compliance
 - Procurement
 - State Aid
 - Publicity requirements
- Cross cutting themes
 - Environmental sustainability
 - Equal Opportunities

The Intermediate Body will also provide advice to the Managing Authority to assist the Managing Authority to make its assessment against the following Core selection criteria:

- Value for money
- Deliverability

Having assessed projects against these criteria the relevant Local Economic Partnership area European Structural and Investment Funds Sustainable Urban Development Sub-Committee will advise the Intermediate Body on the contribution to local economic growth conditions and opportunities within the context of the Operational Programme and local European Structural and Investment Funds Strategy.

Having concluded their assessments the Managing Authority and the Intermediate Body will prioritise the applications they wish to proceed based on their assessment against their respective selection criteria. Only projects that the Managing Authority and the Intermediate Body each agree should proceed, based on their respective core selection criteria, will be invited to submit a full application. Subsequently only those full applications that the Managing Authority and the Intermediate Body each agree should proceed, based on their respective selection criteria, will be approved.

Please note that the Managing Authority's decision is final and there are no appeals. If you wish to complain about the calls and application process, please follow the procedure set out at <https://www.gov.uk/government/organisations/department-for-communities-and-local-government/about/complaints-procedure>

Potential applicants / applicants may wish to take advantage of information and support services funded through ERDF Technical Assistance and available to assist

the design and development of compliant projects / applications for ERDF. Details of your local Technical Assistance funded project can be found on the [Technical Assistance website page](#).

6. General Information

6.1. National Eligibility Rules

When developing an application, Applicants must refer to the [National Eligibility Rules](#) setting out the requirements of the 2014-2020 European Regional Development Fund Programme. It is the responsibility of the Applicant to ensure that the National Eligibility Rules are adhered to both at application stage and following approval. Failure to do so can lead to financial penalties leading to recovery of up to 100% of the grant value. If in doubt on any of the requirements, Applicants are strongly advised to seek specialist advice.

European Regional Development Fund eligibility rules apply to **all** project spend within the eligible costs, including match funding.

The European Regional Development Fund is governed by European regulations and national rules. Applicants are advised to familiarise themselves with the relevant documentation, (Section 8 Key Document refers) prior to submitting an Outline Application. If successful at the full application stage, Applicants will enter into [a Funding Agreement](#) and must abide by the standard terms and conditions contained therein. Once a Funding Agreement has been issued it should be signed and returned within 30 days, unless otherwise agreed with the Managing Authority. Applicants are therefore strongly advised to read these terms and conditions to ensure that they are able to enter into such an agreement prior to responding to the call.

6.2. Eligible Applicants

Section 4 of the [National Eligibility Rules](#) sets out who is eligible to apply. Financial Due Diligence checks will be undertaken on non-public sector applicants that are successful at the outline application stage. Checks will be carried out following notification of a successful outline application and may exclude applicants from further consideration. These checks will include assessment of the applicant's financial standing including ability to deal with cost overruns, the ability to cash flow a project in arrears and absorb a financial irregularity.

Applicants must be legally constituted at the point of signing a Funding Agreement. If the application is approved the Applicant organisation will enter into a legally binding Funding Agreement and therefore will carry the liability for ensuring that the terms and conditions of the Funding Agreement are met.

If there is more than one organisation applying for the funds, a lead organisation must be selected to become the Applicant (and Grant Recipient) with the remaining organisation(s) acting as Delivery Partner(s). In this situation the Applicant would be responsible and liable for the Delivery Partner(s) and ensuring the project is operating compliantly.

During the application process the Managing Authority will consider the Applicant's track record, both positive and negative. If the Applicant has been involved in the delivery of previous European grants and any irregularities have been identified, the Managing Authority will expect to see what steps have been taken to ensure that the risk of further irregularities in the future is mitigated. It is acknowledged that some organisations will be new to European Structural and Investment Funds funding and will not have a track record.

6.3. Contribution Rate & Match Funding

European Regional Development Fund investment must not be used to replace existing funding sources. European Regional Development Fund investment must enable activity to take place that would not otherwise happen or to increase the scope, scale or intensity of activity. The level of European Regional Development Fund awarded will be the minimum in order for the project to proceed

The maximum Contribution Rate is 50% of the total eligible project costs subject to State Aid regulations.

The remaining 50% or more must come from other eligible sources as specified under section 6 of the National Eligibility Rules. During the application process applicants will need to satisfy the Managing Authority that they have, or are able to put in place eligible match funding for the balance of costs. Other European Union funds cannot be used as a source of match funding.

European Regional Development Fund investment is limited by State Aid regulations and where the award of European Regional Development Fund would constitute State Aid the European Regional Development Fund grant rate may fall below the 50% maximum.

European Regional Development Fund is paid quarterly in arrears and expenditure must be defrayed prior to the submission of any Grant claims. Applicants may be asked to demonstrate how they are able to cash flow the operation.

6.4. Project Timescales

European Regional Development Fund funding will normally be approved for three years, however the Managing Authority reserves the right to extend the contract term in exceptional circumstances.

Projects approved through this call will normally be expected to:

- Submit a detailed and complete full application within three months of formal selection at outline stage. Projects which fail to meet this deadline may be deselected,
- Commence delivery (defraying European Regional Development Fund eligible costs) within three months of formal approval. Projects which fail to meet this deadline may be deselected, and
- Be closed by June 2023.

6.5. Capital Projects

In developing the budget for the Outline Application, applicants seeking European Regional Development Fund to support a capital project should note that:

- new build projects will normally be expected to achieve the Building Research Establishment Environmental Assessment Method (BREEAM) rating of 'excellent'; however BREEAM 'very good' will be accepted where this is the maximum feasible standard.
- Refurbishment projects will normally be expected to achieve the BREEAM rating of 'Very Good'.
- Infrastructure projects will normally be expected to achieve the Civil Engineering Environmental Quality Assessment rating of 'Very Good'.

6.6. Cross Cutting Themes/Horizontal Principles

All applications selected as a result of this call will be required to demonstrate how the Cross Cutting Themes have been addressed in the project design and development. Cross Cutting Themes for European Regional Development Fund are 'equality and anti-discrimination' and 'sustainable development'. Further information is available in Section 11 of the [European Regional Development Fund Operational Programme](#).

Projects seeking funding under Priority Axis 4 with the objective of reducing Greenhouse Gas must have a transparent methodology for calculating and monitoring emissions, with actual and auditable GHG reductions in line with the Climate Change Act 2008.

6.7. Additionality, Duplication and Displacement

Additionality is a core principle of European Regional Development Funding. Applicants must be able to demonstrate that the activity paid for out of European Regional Development Funding adds value to new or existing activity.

European Regional Development Funding cannot support activities that duplicate existing provision/services within the region.

Applications need to identify and evidence how the beneficiaries will use the service and demonstrate that the project does not displace other activity available in the market place.

6.8. State Aid & Revenue Generation

Applicants are required, in the Outline Application, to provide a view on how their proposal complies with State Aid law. Applicants must ensure that projects comply with the law on State Aid. Grant funding to any economic undertaking which is State Aid can only be awarded if it is compatible aid, in that it complies with the terms of a notified scheme under the General Block Exemption Regulation (EU) 651/2014.

Only if this is not possible should Applicants use the De Minimis Regulation or 'no aid'. [Guidance for Grant Recipients](#), explaining more about State Aid, is available; it is important that Applicants take responsibility for understanding the importance of the State Aid rules and securing their full compliance with them throughout the project, if it is selected into the Programme.

The Managing Authority is not able to give legal advice on State Aid. It is the responsibility of the applicant to ensure that the operation is State Aid compliant.

6.9. Procurement

All costs claimed by the Applicant (Grant Recipient and/or Delivery Partner(s)) must be recovered on an actual cost basis. Other costs must be procured in line with National (including [Public Procurement Regulation 2015](#)) and European Union regulations. Procurement will be subject to audit and verification and any irregularity will result in a financial penalty of up to 100% of the grant paid. Robust and transparent procurement is required to ensure that Grant Recipients:

- Consider value for money;
- Maximise efficient use of public money;
- Maintain competitiveness and fairness across the European Union.

It is **strongly recommended** that Applicants seek and follow legal advice in respect of procurement requirements. Procurement irregularities remain the most substantive cause of error and clawback of grants.

7. Support

Please note that this is a competitive call and to preserve impartiality the Managing Authority and, where appropriate, staff from the Intermediate Body involved in the assessment process are unable to enter into correspondence with applicants over their Outline Application. Details of where guidance can be found are contained

throughout this call document. In exceptional circumstances, if there are issues with accessing this guidance, please contact:

NW.ERDFENQUIRIES@communities.gsi.gov.uk.

8. Key Documents

- European Regional Development Fund Operational Programme;
- Outline Application Form;
- Outline Application Form Guidance;
- Local Enterprise Partnership area's European Structural and Investment Funds Strategy;
- Greater Manchester Sustainable Urban Development Strategy
- Eligibility Guidance;
- Output Definitions;
- Funding Agreement (Revenue and/or Capital).

9. Document Checklist

Incomplete applications will be rejected. Please ensure the following information (documents) are submitted.

Outline Stage:

- Fully completed Outline Application;
- Financial Tables;
- Outputs and Indicators Tables.

10. Document Submission

Completed Outline Applications must be submitted via **email** to the address in Section 7.

Outline Application forms not received by the review deadlines will not be assessed. Outline Applications which are not fully completed will be excluded.

For this call applications will normally be required to **commence delivery/activity within three** months of the award of a Funding Agreement.

Any changes related to the deadline for the submission of the Outline Application form will be notified on the [European Growth Funding](#) website pages.