2014 to 2020 European Structural and Investment Funds Growth Programme

Call for Proposals
European Regional Development Fund

Priority Axis 4: Supporting the Shift Towards a Low Carbon Economy in All Sectors

<table>
<thead>
<tr>
<th>Managing Authority:</th>
<th>Department for Communities and Local Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund:</td>
<td>European Regional Development Fund</td>
</tr>
<tr>
<td>Priority Axis:</td>
<td>Priority Axis 4: Supporting the Shift Towards a Low Carbon Economy in All Sectors</td>
</tr>
<tr>
<td>Call Reference:</td>
<td>OC15R18P 0739</td>
</tr>
<tr>
<td>Local Enterprise Partnership Area:</td>
<td>Greater Manchester</td>
</tr>
<tr>
<td>Area Indicative Fund Allocation:</td>
<td>£2,000,000 (two million pounds)</td>
</tr>
<tr>
<td>Call Open:</td>
<td>Friday 2 March 2018</td>
</tr>
<tr>
<td>Call Closes:</td>
<td>23:59 on Friday 20 April 2018</td>
</tr>
</tbody>
</table>
Contents

1. Introduction............................................................................................................................................. 3
2. Call Context.............................................................................................................................................. 4
3. Scope of the Call ...................................................................................................................................... 5
   3.1. Scope ................................................................................................................................................ 5
   3.2. Local development need .................................................................................................................. 6
   3.3. Operational programme investment priorities .................................................................................. 9
4. Required Outputs under this Call .......................................................................................................... 11
5. Application Process and Prioritisation Methodology ............................................................................ 12
6. General Information ............................................................................................................................... 14
   6.1. National Eligibility Rules ................................................................................................................ 14
   6.2. Eligible Applicants ........................................................................................................................... 15
   6.3. Contribution rate and match funding ............................................................................................. 15
   6.4. Project timescales ............................................................................................................................ 16
   6.5. Project extensions ............................................................................................................................. 16
   6.6. Capital projects ............................................................................................................................... 17
   6.7. Cross Cutting Themes / Horizontal Principles ............................................................................... 17
   6.8. Additionality, duplication and displacement ................................................................................... 17
   6.9. State Aid and revenue generation .................................................................................................. 18
   6.10. Procurement ................................................................................................................................... 18
7. Support ................................................................................................................................................... 18
8. Key Documents ....................................................................................................................................... 19
9. Document Checklist ............................................................................................................................... 19
10. Document Submission .......................................................................................................................... 19
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.

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. In some other areas, intermediate bodies are being designated by the Department for Communities and Local Government and the Department for Work and Pensions to perform the following tasks:

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

The Managing Authorities and intermediate bodies work closely with local partners on ESI Funds 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 managing authorities (or intermediate bodies where designated) 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 managing authorities’ (or intermediate bodies where designated) assessments at outline and full application stage.
This call is issued by the Department for Communities and Local Government 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 support under:

**Priority Axis 4 Supporting the Shift towards a Low Carbon Economy in All Sectors**

**Investment Priorities:**

4b Promoting energy efficiency and renewable energy use in enterprises.

The European Regional Development Fund operational programme for England 2014 to 2020 sets out how the European Regional Development Fund will focus on investment to support economic growth and job creation. Priority axis 4 of the operational programme aims to support the shift to low carbon economy in all sectors.

Any application for funding will be required to clearly demonstrate that it provides good value for money and supports domestic strategic priorities. Applications must meet the requirement of, and make 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 Greater Manchester European Structural and Investment Funds strategy.

Applicants are advised to familiarise themselves with the detail of the operational programme, local European Structural and Investment Funds 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 4 of the European Regional Development Fund operational programme and respond to the local development need set out in the Greater Manchester European Structural and Investment Funds strategy.

<table>
<thead>
<tr>
<th>Indicative fund allocation:</th>
<th>Indicatively, through this call the managing authority expects to allocate up to £2,000,000. 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 allocation, 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. 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.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum application level</td>
<td>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.</td>
</tr>
<tr>
<td>Duration of project activity</td>
<td>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.</td>
</tr>
<tr>
<td>Geographical scope</td>
<td>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. Revenue projects should predominantly support businesses based within the local enterprise partnership area of this</td>
</tr>
</tbody>
</table>
Specific call requirements

A single project, with a lead partner, covering all of the themes outlined across the whole of Greater Manchester is preferred. Applications from consortia are encouraged. Where appropriate, synergies with the other North West Local Enterprise Partnership areas, looking to undertake similar activities, should be exploited. Bids which deviate from this will be received, but should provide an explanation for this approach.

Please note: Value for Money and alignment with Strategic Domestic Priorities will form a key part of the assessment and appraisal of all applications. Therefore proposals should clearly articulate and demonstrate how activities align with domestic strategic priorities and offer good value for money.

Call deadlines

For this specific call, applications will be assessed after the close of the single deadline.

Applications received after the published call close date will not be considered. All applications will be assessed following closure of the call.

3.2. Local development need

Projects must deliver activity which directly contributes to the objectives of 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

Local growth priorities:

In Greater Manchester cultivation of the low-carbon sector is a priority for economic, environmental and climate reasons. The Greater Manchester Strategy (GMS) says:

“Tackling climate change will mean cutting back on fossil fuels use, generating local low carbon energy and achieving a paradigm shift in the way we work, live, travel and play, to improve the way that we utilise our resources.”

The sector is maturing at both the local and national level and there are significant growth opportunities across the conurbation. GM has the third largest low carbon sector in the UK in terms of sales, standing at 5% of total, and is well-placed to access the £3.4tr global market opportunity that exists. The sector is maturing at both the local and national level and there are significant growth opportunities across
the conurbation.

Key assets include leading academic sites such as Manchester Energy at the University of Manchester, the Hydrogen Fuel Cell Centre at Manchester Metropolitan University and the Applied Buildings and Energy Research Group at the University of Salford, renewable energy companies such as Peel Energy and Siemens and relevant professional services organisations such as AECOM, DLA Piper, Jacobs and WSP Group.

Greater Manchester has a leading role to play in addressing the UK’s legally-binding Climate Change Act and the conurbation has committed to a 48% CO2 reduction by 2020 against 1990 levels, and recognises the importance of cleaner air.

The Greater Manchester Strategy and the GM ESIF Strategy have identified a number of priorities related to the Low Carbon Theme, including:

- Seizing the growth potential of a low carbon economy and increased resource efficiency

In order to deliver the commitment to “help businesses to deliver energy and resource efficiency opportunities within their companies and supply chains”, the Greater Manchester ESIF plan identifies the need for “a programme to identify resource efficiency opportunities within companies and support them to realise economic and environmental savings and increase their resilience to future price shocks. This will include help to specify and procure relevant Low Carbon Environmental Goods and Services (LCEGS) and to access suitable finance as necessary”.

Greater Manchester priority is activity which will offer support to a number of companies to drive energy efficiency in their operations and lead to measurable reductions in Green House Gas Emissions by:

- Delivering a Low Carbon business support programme to enable companies to decarbonise their goods and services by:
  - Supporting businesses to reduce carbon emissions through consumption audits leading to action plans
  - Supporting increased energy efficiency in businesses and developing innovative low carbon processes in businesses, including designing out waste, recovery of “waste” heat energy and CHP (as appropriate)
  - Potentially providing grants to companies (up to £10k per company as a contribution to capital expenditure of up to £25k, max intervention rate 40%) to incentivise uptake of measures and optimise CO2e reduction.
  - Delivering quantifiable carbon reductions to aid productivity and / or reduce risk from future energy price rises
  - Assisting companies in climate change mitigation and adaptation measures
Local priorities:

Proposals should demonstrate alignment with local development need and priorities including:

- Projects that works seamlessly with the Greater Manchester Business Growth Hub and other public and private provision.
- Provision of cross referrals, to other business support initiatives, including those supported through GM’s ERDF Programme, including advice on growth, mentoring, access to finance and exporting.
- Demonstration on how project adds value to, and work in conjunction with, the already established Growth Hub in GM, and its role that will ensure it:
  - promotes growth by encouraging companies to develop growth propositions;
  - has effective mechanisms for identifying, recruiting and targeting companies that have the potential to grow;
  - is able to diagnose companies’ barriers to growth;
  - provides tailored advice on helping companies tackle their barriers to growth; and
  - includes effective growth programmes that enable companies to tackle barriers to growth provides start up support to mid-growth companies.
- synergies, where appropriate, with the other North West LEP areas, looking to undertake similar activities, should be exploited.
- Alignment with the Greater Manchester Climate Change Implementation Plan and in particular:
  - The Sustainable Production and Consumption theme that relates to the efficient use of energy and resources to produce goods and services, and minimises the amounts of goods and services we consume and dispose of;
b) GM’s aspirations for commercial resource efficiency include both publicly funded business support activity and private sector led, specifically the commitment within the Greater Manchester Climate Change Implementation Plan to encourage all businesses to take action on emissions reduction, climate resilience and accessing the low carbon economy.

- Greater Manchester are particularly seeking projects that will assist in achieving the challenging Priority Axis 4b output targets for Greater Manchester which are: 4b (Promoting energy efficiency and renewable energy in enterprises) - enterprises receiving support and annual decrease of greenhouse gases over the lifetime of the Operational Programme. Projects which are able to deliver in the region of 550 enterprises receiving support, and make a significant contribution to the annual greenhouse gas reduction targets will be welcome.

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:

<table>
<thead>
<tr>
<th>Investment priority</th>
<th>4b – Promoting energy efficiency and renewable energy in enterprises.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific objectives</td>
<td>Increase energy efficiency in particular in small and medium sized enterprises, including through the implementation of low carbon technologies.</td>
</tr>
<tr>
<td>Indicative actions</td>
<td>The main target group is small and medium sized enterprises.</td>
</tr>
<tr>
<td>--------------------</td>
<td>-------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Under this investment priority indicative actions to be supported by European Regional Development Fund may include:</td>
</tr>
<tr>
<td></td>
<td>• 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;</td>
</tr>
<tr>
<td></td>
<td>• Support to small and medium sized enterprises can deliver CO₂ savings through direct energy saving and savings through water, waste, transport and embodied energy in materials etc;</td>
</tr>
<tr>
<td></td>
<td>• 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;</td>
</tr>
<tr>
<td></td>
<td>• 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;</td>
</tr>
<tr>
<td></td>
<td>• Investing in measures to stimulate cost-effective deep renovations of buildings, including staged deep renovations;</td>
</tr>
<tr>
<td></td>
<td>• 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 and combined heat and power;</td>
</tr>
<tr>
<td></td>
<td>• Supporting increased small and medium sized enterprises access to national and local government procured contracts for energy efficient goods and services;</td>
</tr>
<tr>
<td></td>
<td>• Developing low carbon innovation in relation to energy efficiency within enterprises, including through</td>
</tr>
</tbody>
</table>
technologies and engagement practices; and

- 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.

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 programme-level outputs for priority axis 4.

For projects proposing to deliver activity against more than one investment priority, the appropriate outputs should be selected. Project will be required to report on, and evidence, the achievement of the outputs separately under each investment priority.

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

<table>
<thead>
<tr>
<th>Output reference</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Priority 4b</td>
<td></td>
</tr>
<tr>
<td>Output reference</td>
<td>Name</td>
</tr>
<tr>
<td>C1</td>
<td>Number of enterprises receiving support</td>
</tr>
<tr>
<td>C34</td>
<td>Estimated annual decrease of greenhouse gases</td>
</tr>
</tbody>
</table>

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 European Structural and Investment Fund strategy for each local enterprise partnership area includes 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 and 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 managing authority against all of the national selection criteria except where an intermediate body has been designated to assess against some of the selection criteria. Where an intermediate body has been designated to undertake delegated tasks, the intermediate body will undertake the assessment against the selection criteria in relation to fit with local priorities.

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 managing authority in relation to all Core assessment criteria.

In areas where an intermediate body¹ has been designated, the following will apply:

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:²

• National strategic fit;
• Value for money;
• Management and control;
• Deliverability;
• Compliance; and
  o Procurement
  o State Aid
  o Publicity requirements
• Cross cutting themes
  o Environmental sustainability
  o 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; and
• Deliverability.

Having assessed projects against these criteria the relevant local enterprise partnership area European Structural and Investment Funds sub-committee will advise the managing authority or intermediate body as relevant 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 to aid the managing authority's assessments (at outline and full application stage).

¹ This process works differently for the Greater London Authority. Please contact the Greater London Authority for further details.
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 European Regional Development Fund Technical Assistance and available to assist the design and development of compliant projects / applications for the European Regional Development Fund. 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 to 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 and 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 EU 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. Project extensions

Existing grant recipients whose projects:

1. Do not involve the direct development of premises or infrastructure;
2. Have a funding agreement that ends/has a financial completion date during the period of this call or within 18 months of the closing date of this call; and
3. Address the priorities set out in section 2

May apply for a second phase of delivery – this will be expected to be in the same form as the current project (i.e. a genuine continuation of activity) but may reflect improvement/some change to reflect experience of the first phase of the project. The application must be made using the standard outline application form. Where changes to the first phase of the project are significant, these should be presented as a new application. The relevant Growth Delivery Team will apply judgment in considering the significance of any change. Projects may apply to be extended for up to 3 years.
Applications in respect of the development of premises or other infrastructure should be presented as new projects, this includes applications that have a link to an existing European Regional Development Fund project e.g. further phases of the development of sites or premises.

**Please note** - extensions to existing projects will be assessed against the criteria set out in this call in the same way as ‘new’ projects. There is no guarantee that extensions will be selected. Extension requests relating to projects that end more than 18 months after the closing date of the call or do not meet the requirements set out in this call will be rejected. The applicant’s track record and the performance of existing contracts will be taken into account during the assessment process.

### 6.6. 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’; and
- Infrastructure projects will normally be expected to achieve the Civil Engineering Environmental Quality Assessment rating of ‘Very Good’.

### 6.7. 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 greenhouse gases reductions in line with the Climate Change Act 2008.

### 6.8. 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.

6.9. State Aid and 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.

6.10. 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 EU 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; and
- Maintain competitiveness and fairness across the EU.

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, the intermediate body 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;
- Eligibility guidance;
- Target definitions; and
- 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; and
- Outputs, results 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 deadline 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.