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Applications

What is an Applied Research grant?

A funding offer from the CT of up to £500k and a maximum of 60% of the project costs. This is an upper limit based on CT policy and the maximum can be lower depending on the application of state aid rules (see "Funding and Payment" below). The grant is paid in instalments to the project lead against evidence of the work completed at project milestones detailed in the contract.

Can I talk through my idea with the CT?

The CT is unable to discuss individual ideas outside of the application process because the application process is competitive. The online application is designed to be a quick form that allows the applicant to tell the CT about their idea and allows the CT to assess if it meets the Applied Research criteria.

How do I apply?

There is a two-stage application process. The first stage is an online application that outlines the project idea. This application will be assessed against the criteria detailed on the website. The successful candidates will be invited to submit a full proposal and will get the chance to meet with the CT to discuss the proposal requirements. The first stage application must be made online. If you do not have your own computer, you can access the internet at your local library or community centre.

When can I apply?

There are three calls per year, lasting about 6 weeks each when the online application form is open for submissions. The dates for the next calls can always be found on the website.

What criteria do you use to assess grant applications?

In essence, the assessment process involves exploring the answers to three questions:

1. Is it a good idea?
2. Can the team actually do it?
3. Should the Carbon Trust fund it?

In order to do this, we look at ten selection criteria. To be successful your proposal will have to make a strong case against these, which are:

- Carbon abatement
- Innovation
- Commercialisation (Exploitation & Dissemination)
- Planning
- Funding
- Leverage & Engagement
- Project team
- UK benefit
- Technical verification
- Risk

Why do you have periodic calls?

In order to allow efficient proposal review and good moderation we assess grants in batches and this approach leads itself to a periodic call process. Within each call there are always many more proposals than we can fund and hence the selection process is highly competitive. Those that progress to the second stage and on to funding are those that make the strongest case against our selection criteria.

How much carbon does my project need to save?

There is no absolute minimum for the amount of carbon a project will save but we would expect it to be in the 10s of 1000s of tonnes by 2020.

We assess the carbon reduction potential based on the strength of the argument presented; we do not just look at how big the number is. Therefore, there is no rule about whether to use net emissions, but it is recommended that you use net emissions and as far as possible consider the whole carbon footprint of your technology.

Generally we will only progress applications with a very clear carbon case supported by detailed calculations of the amount of CO₂ saved by the proposed technology versus conventional technology under a set of realistic assumptions.

What do you mean by UK Benefit?

By UK benefit we're asking for evidence of at least the following:

- IP generated is held in the UK, and/or
- the project workforce is UK based, and/or
- the project generates finance in the UK.

Who assesses the grant applications?

We use independent external consultants to assess the technical merits of the proposals. All applications are also read by a member of the Carbon Trust. We make a recommendation to the Carbon Trust's investment committee, who have the final say on which projects are progressed or rejected.

Has my application been successful?

The CT will send applicants a letter detailing the outcome of the application within 6 weeks of the call closing.

Can I appeal against a decision?

No, the decision of the Carbon Trust Investment Committee is final. You may re-submit ideas to future competitions.

Can I re-submit?

You can submit ideas to a subsequent call and it will be assessed on its merits within the constraints of that call. It is extremely unlikely that a verbatim resubmission will progress to the second stage so you should seek to make improvements so that the re-submitted proposal makes a stronger case against the assessment criteria than did the original.

Is my application confidential?

Yes. Information in the proposals will not be shared with any third parties and will not be used for commercial gain by the CT. We have a strict policy of maintaining the commercial confidentiality of the intellectual property of our projects. All the reviewers are bound by confidentiality contracts with the CT. We respect confidentiality throughout the application process and on into the project delivery phase.

Do you use the Joint electronic Submission (JeS) system?

No. We use our own online application form that can be accessed from www.carbontrust.co.uk/appliedresearch.

Tips for completing the proposal form

Proposals that do well are usually those where all the questions are answered fully and succinctly and where additional information is kept to things that are absolutely necessary, eg a diagram to explain a technical concept. We ask for all the information we need in the questions and the review form matches up with the proposal form so people who try to change the layout often find that their application become confused or that the reviewers can't find the information they need to know to be able to progress the proposal. People who append lengthy attachments have this problem too as the reviewers simply don't have time to sift through the paperwork looking for information.

What is your current position on applications from Scottish companies?

The Scottish Executive took the decision that no further funding would be made available for Applied Research in 2009/10. This position is still under negotiation and we will keep the website updated with any news.

In practice the lack of funding means that we will not be able to sign contracts for projects where the lead organisation is based in Scotland. However, a project where the lead organisation is English but there are Scottish partners could be funded if it can show that the project will benefit England.

Applicants who decide to do this need to be aware of the implications of being the lead organisation:

- The lead organisation has the responsibility of distributing the grant money to the project partners
- In terms of IP ownership we don't differentiate between collaborators, if this is an issue the project team would need to create their own collaboration agreement
- The lead organisation can be called upon to provide project records for auditing purposes for four years from the project closure date.

Funding & Payment

What types of research and development do you fund?

We support projects with specific objectives that will enable a low carbon technology to make a clear step forward on the path towards commercialisation. The project must have a target application, and not be fundamental or “curiosity-driven” research. In “State Aid” terms, we support Industrial Research or Pre-Competitive/Experimental Development.

What types of organisations do you support?

We regularly award grants to small companies, universities, and large corporations, individually or in collaborations. We can also fund public sector organisations – if their bids can show a case against our selection criteria.

Do you support agriculture projects?

Projects that focus on agricultural practices are generally considered to be outside of the focus of the Carbon Trust as there are other funding bodies that specifically support this area. It is also an area where the carbon saving benefits are hard to quantify because they involve a range of practices and processes.

As Agriculture is not a focus area for us, our assessors are likely to have limited agricultural expertise and would normally recommend that you contact DEFRA for information on grant funders that do have an agricultural focus.

Can I get 100% funding?

No. The grant offers must comply with state aid limits that do not allow 100% funding for Industrial Research or Experimental Development. The allowable percentage depends on individual circumstances and the CT is committed to complying with state aid rules. In any event, it is the CT policy to fund a maximum of 60% of the project costs. We expect bidders to show their commitment to the project and its success by sharing in the cost. (See the funding matrix on the website for full details.)

What proportion of the cost of a project will the Carbon Trust fund?

The maximum proportion of funding available depends on the type of research: 60% for Industrial Research or 40% for Pre-Competitive/Experimental Development, and the type of organisation. Occasionally, the Carbon Trust may offer a smaller proportion of funding than requested, or require break points in the project schedule on particularly risky projects. It is our goal to make the minimum possible contribution commensurate with the project proceeding – there is always competition for available funds.

When will I get the grant money?

All grant funding is paid in arrears upon the delivery of the work specified in the Contract. Grant claims are made by the project at set milestones throughout the life of the project, and milestones are normally 3-6 months apart. The CT will pay all valid invoices within 30 days of receipt of a progress report that details the work done and the costs incurred.

Can I claim back VAT?

No, because the money we give is a grant and not in return for services provided you cannot claim any VAT back from us, therefore when submitting your application the costs should not include VAT. You can claim back any VAT from HMRC separately to your grant claims.

What is "State Aid" and how does it affect Applied Research grants?

The European Community Treaty contains rules against governments providing financial aid to businesses in order to prevent distortion of competition. There are some exceptions to this, including public funding of research and development.

The current Applied Research programme was notified to and cleared by the European Commission in 2006 under the 1996 *Community Framework for State Aid for Research and Development*. During the course of 2007, we expect that minor changes will be notified to the Commission to reflect the coming into force of the new *Community Framework for State Aid for Research and Development and Innovation* on 1 January 2007. The new Framework does not represent radical change from the current position although it will ultimately slightly extend the scope to give assistance for R&D. For the time being, applicants should refer to the old Framework, and we will inform you of any minor changes.

In practice, we are only allowed to fund a proportion of the costs of a research and development project (and not other operating costs), depending on how close the technology is to market. The rules are rather complex, but in practice we can fund up to 25% of Pre-competitive/Experimental Development or 50% of an Industrial Research project. However, slightly higher proportions of funding are available in certain circumstances, notably if you are an small or medium-sized enterprise ("SME") or if your technology is identified as a priority area for European research by the EU's Framework Programme 6 (for more details see http://ec.europa.eu/research/fp6/index_en.cfm).

How do I know if my company is an SME?

There is an excellent guide to the definition of an SME on the European Commission website (http://ec.europa.eu/enterprise/enterprise_policy/sme_definition/index_en.htm).

In brief, a medium-sized enterprise is an autonomous business with fewer than 250 staff and either turnover less than €50 million (around £33m) or an annual balance sheet of less than €43 million (around £28 million). A small enterprise has fewer than 50 staff and either turnover or annual balance sheet less than €10 million (around £6-7 million).

Do you require repayment of the grant if the project generates revenue?

No. There is no requirement to repay the grant unless you are unable to complete the project or are shown to be in breach of grant conditions.

What is your policy on follow-on funding? Will you provide additional funding for a successful project?

We aim to support as wide a range of technologies as possible with limited funds through Applied Research grants so there is no direct mechanism for follow-on funding following the successful completion of a project. However, there is the option to apply for an additional 10% of the grant amount for limited follow-on work where this would assist in exploiting the results of the project. Also, a number of completed Applied Research grants have made successful applications for venture capital funding, including the Carbon Trust's own investments team.

Will you fund competitors developing similar technology?

We consider each application for an Applied Research grant on its merits, so there is no reason why we should not fund individually excellent projects by competitors developing similar technology. We have a strict policy of commercial confidentiality.

What overhead rates are acceptable?

There is no defined overhead rate that should be applied. Overhead rates should be applied according to the prevailing standard accounting practise used at your institution/company [IF FOR A FULL APPLICATION: , and the assumptions and justification behind the calculation of this overhead rate should be detailed]. However, please remember that excessively high overhead rates will be noted during the review process and may not be accepted.

Do you pay for patents?

The only patenting costs we can fund are for patents for arising IP where the cost is borne by an SME.

Partners

Do I need partners?

No, but they will often strengthen a project. The application is assessed on the strength of the team (and the ability the team to access the full range of skills required to successfully deliver it) and the access to the right people to take the idea to market.

Do you require that there is an industry partner involved in the project?

No, although this is typically an important element in moving a technology towards commercialisation.

How do you manage collaborations between several partners on a project?

Applied Research grants are awarded by a formal contract between the Carbon Trust and all the collaborators in the project team. It is **strongly** recommended that the collaborators also have a separate collaboration agreement between themselves to define arrangements for ownership of Intellectual Property generated by the project.

IP & Endorsement

Who owns the Intellectual Property arising from an Applied Research project?

IP generated during the project is assigned to the collaborators. The Carbon Trust does not take ownership of the IP, but it does require a limited license to use the IP for its internal business purposes, including policy advice and business strategy. Proposals that do not present a credible plan to identify and appropriately protect IP are unlikely to receive funding.

Why does the Carbon Trust get my IP after 3 years?

This is a clause commonly used in publicly-funded research contracts. It requires you to make reasonable endeavours to exploit the results of your research. If, in our opinion, after three years you haven't done this then we will work with you to take steps to exploit the IP. As a last resort we might require the IP to be assigned to us for the purposes of exploiting it. This clause exists to make sure that the results of Applied Research grant-funded projects are exploited, so that the benefits in terms of reduced carbon emissions can be realised.

Can the CT endorse my technology/idea?

No. The project is owned by the applicants and the CT support it with a grant, but this is not an endorsement of the technology itself.

Publicity & Networking

Can we use the Carbon Trust logo in our publicity material?

Yes, although there are certain restrictions. We will send you more information at the start of the project. You should always consult us before using the logo.

Can you help us with publicity and marketing of our technology?

Yes, we have a strong brand identity in low-carbon technology and our marketing and PR team will put together a one-page profile of each project for our website, as well as occasional case-studies, advertorial and editorial pieces in the technical and national press. You are of course welcome to undertake your own PR and marketing, although we need to approve in advance any press releases mentioning our support.

Can you help us make contacts within the industry?

We don't actively promote networking between project teams and industry, although we are considering doing this in the future and would welcome your views.

Can you introduce us to some venture capitalists?

We won't contact venture capitalists on your behalf, although if you ask us to we are happy to make an introduction with our investments team, who have their own application procedures and criteria for investment.

Running Projects

I have a grant-funded project; can I speak to someone at the CT?

The first point of contact for grant-funded projects should be their project supervisor (provided by an external consultancy). Urgent matters can be directed to the CT Applied Research team through the applied research email address.

What reporting requirements are there?

You will be required to write a progress report on completion of each milestone detailing the work carried out and costs incurred against the work programme in the contract. Approval of this milestone report by the Project Supervisor and the Carbon Trust is required before payment of the grant claim.

Can I get information on projects that have been given grant funding?

A one page profile for each of the successful projects can be found on the website. This contains the project contact details. The CT can not pass on any information about the projects, but the enquirer can contact the project participants directly.

How much contact will we have with the Carbon Trust during the project?

Your main point of contact during the project will be with the Project Supervisor, a contractor employed by the Carbon Trust to monitor a number of Applied Research projects, who will highlight any problems and key achievements during the project to us. The Carbon Trust will typically attend a kick-off meeting with the project team and a close-out meeting at the end of the project. Where there are key decision points in the project, or interim results of particular interest, the Carbon Trust may also attend meetings during the project.

Extras

I've got this great idea, why won't you give me any money?

Unfortunately we have limited resources and a massive challenge to accelerate the transition to a low-carbon economy in the UK. We have many excellent applications for Applied Research grants and we have to make some tough decisions on which projects to fund. If you haven't been successful it will typically be because your proposal didn't stand out against our assessment criteria, please consider the feedback we've given you and good luck with developing your technology.

There is a problem with the online forms –what do I do?

All technical IT problems with the online application system should be directed to appliedresearch@carbontrust.co.uk.

Where can I find out more information?

There is more detailed information available on our website (www.carbontrust.co.uk/appliedresearch). If you have a specific query, e-mail appliedresearch@carbontrust.co.uk