

BERR

Department for Business
Enterprise & Regulatory Reform

**MICROGENERATION R&D
FUNDING**

Possible sources of funding
in the UK

DECEMBER 2007

Microgeneration R&D Funding in the UK

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Introduction

There are significant funds available for R&D in microgeneration through a variety of sources. Money can be used in a number of ways, from project management support, network development, research and development, demonstration and deployment.

This guide gives an overview of funding available for microgeneration R&D in the UK. It aims to cover the majority of funding available, but there may be other sources not included here. Grant schemes may close or change and new ones start up. Useful websites for finding up to date funding information are:

[Business Link](#) – England

[Business Eye](#) – Wales

[Highlands and Islands Enterprise](#) – Scotland

[Business Gateway](#) – Scotland

[Scottish Enterprise](#)

[Invest Northern Ireland](#)

[Regional Development Agencies](#) – England

[Carbon Trust](#)

[Research Councils](#) such as [Engineering and Physical Sciences Research Council](#)

EU pages

Many of the funding schemes listed below have set criteria such as application dates. As well as making these grants available, many of these organisations may commission specific research or call for proposals at other times.

Funding is divided into broad categories. Although there is substantial overlap and all of them potentially could be used for Microgeneration R&D, for ease of use these categories aim to group the funding streams by primary focus

The [Future Energy Yorkshire funding tool](#) has also collated regional, national and European funding sources available

Fuell Cells UK also has a [funding finder](#)

R&D Funding

Technology Strategy Board

The Technology Strategy Board aims to promote and support research into, and development and exploitation of, technology and innovation for the benefit of UK business, in order to increase economic growth and improve the quality of life. It stimulates innovation in the UK economy through a range of mechanisms including research and development (R&D) and knowledge transfer. Funding is focussed on projects in strategically important technology areas.

Applications: Spring and Autumn

Further information on Autumn 07 call

- Collaborative Research and Development – objective is to assist industry and research communities to work together on R&D projects, so that new products, processes and services can be developed
- Knowledge Transfer Networks (KTN) – objective is to improve innovation performance by increasing the breadth and depth of knowledge transfer into business. Each KTN should be a national over-arching network bringing together a variety of organisations such as business and academia

Energy Technologies Institute (ETI)

The ETI, a unique joint venture public and private partnership, has been established to spearhead the UK response to the energy challenges of reducing green house gas emissions and energy security of supply, by developing a focused portfolio of commercially viable, sustainable energy technologies.

The ETI will select, commission, fund, manage and undertake, where appropriate, the delivery of research programmes, with a significant proportion of funding focused on investment in a small number of key technology areas with the greatest promise for eventual deployment on the basis of their eventual contribution to low carbon, secure energy supplies. Competitive mechanisms (with appropriate peer review for quality and for commercial relevance) will be used to allocate funds to specific R&D projects.

The ETI announced its first Invitation for Expressions of Interest to participate in programmes to develop new technologies for Offshore Wind and for Marine, Tidal & Wave energy - [further details available](#).

Hydrogen, Fuel Cells and Carbon Abatement Technologies Demonstration Programme (HFCCAT)

The aim of the scheme is to reduce barriers to the introduction of cost-effective, low carbon fuel cell, hydrogen and carbon abatement technologies by demonstrating these technologies in real applications. The scheme will demonstrate only those technologies that have the potential to be cost-effective and which could lead to significant reductions in greenhouse gas emissions. Demonstrations of key components or sub-systems may be supported for certain carbon abatement technologies, but generally the intention is to demonstrate systems. Overseas projects may be eligible for support, e.g. as part of a collaborative EU activity, but the majority of projects are expected to be located in the UK. Of the total overall budget of £50m is expected that £35m will be allocated for CAT and £15m for fuel cell and/or hydrogen technologies. The programme will run for 4 years.

Energy and the Environment

Carbon Trust

[Applied research](#)

Objective to support the development and commercialism of technology with the potential to reduce UK carbon dioxide emissions. Grant up to £250,000, minimum 40% match funding required. Check website for calls for proposals

Carbon Trust

[Technology Acceleration](#)

Funding, coordination and expertise available to accelerate change in a particular sector. Accelerators programmes for low carbon buildings, micro-CHP and others

Engineering and Physical Sciences Research Council (EPSRC)

[Sustainable Power Generation and Supply \(SUPERGEN\) \(EPSRC, BBSRC, ESRC, NERC and Carbon Trust\)](#)

Funding for consortia of industry and universities to work in partnership in areas addressing new and improved products for efficient and sustainable power generation. There is already a group looking at small distributed power systems, but SUPERGEN welcomes new proposals

Engineering and Physical Sciences Research Council (EPSRC)

[Funding opportunities](#)

A variety of funding including responsive mode funding i.e. funding for research allocated flexibly – no closing dates, no constraints on field of research providing it is within the remit of EPSRC.

Pilkington Group

[Pilkington Energy Efficiency Trust](#)

Research projects designed to improve the knowledge or practice of energy efficiency in buildings. No set limit, but grants rarely exceed £20,000. Two calls per year

European Funding

[FP7UK \(EU's 7th Framework Programme\)](#)

The EU's Framework Programme for Research and Technological Development is the main instrument through which research is supported at European level. The Seventh Framework Programme (FP7) took over from FP6 on the 1st January 2007 and will run for 7 years. The focus of the research and demonstration actions in this work programme will be on accelerating the development of energy technologies towards cost-effectiveness for a more sustainable energy economy for Europe (and world-wide) and ensuring that European industry can compete successfully on the global stage. FP7 has a budget €50.5 Billion over the period of 2007 to 2013 of which €2 350 Million is available for the Energy Theme.

The Energie Helpline UK is a free, Government-funded service that promotes the EU energy funding programmes in the UK and provides support to organisations bidding for European funding

<http://www.energiehelpline.co.uk/home/energie-helpline-home>

Intelligent Energy Europe (IEE2)

Intelligent Energy Europe (IEE2) is part of a broader EU programme on Competitiveness and Innovation Programme which supports promotional sustainable energy projects and so-called 'integrated initiatives'. The programme acts as the EU's tool for funding action to improve market conditions so to encourage the use of renewable energy sources and save energy. The programme budget of €727 Million will be used to co-finance international projects, events and the start-up of local or regional agencies.

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Eureka

Pan-European network for encouraging R&D projects to develop innovative products, processes and services. Eureka doesn't make money available, but may enable access to partnerships that can

European Regional Development Fund

To stimulate economic development in less prosperous regions of the UK

See also [Government Offices](#) for the English Regions

Devolved Administrations and Regional Funding

Scottish Executive

Sustainable Action Fund – Scotland

Funding for research, demonstration and other activities in support of sustainable development in Scotland.

Scottish Enterprise

Proof of Concept Programme

Supports the pre-commercialisation of leading-edge technologies emerging from Scotland's universities, research institutes and NHS Boards. It helps researchers to export their ideas and inventions from the lab to the global marketplace. Funds up to 100% of project costs

Scottish Executive

SMART: Scotland

Objective to help small businesses to improve their competitiveness by developing new, highly innovative and commercially viable products or processes to the benefit of the national economy. Maximum award of £70,000, only funds 75% of project

Scottish Executive

SPUR

Programme to assist and encourage small and medium sized enterprises (SMEs) to undertake highly innovative research and technical development. SPUR grants assist SMEs to develop new products and processes involving a significant technological advance for the UK industry or sector concerned, up to pre-production prototype stage. Grant of 35% of eligible costs, up to £150, 000

Scottish Executive

SCORE

Supports R&D projects jointly undertaken between public sector research bodies and Scottish SMEs, Up to 50% of eligible project costs up to a maximum of £35,000

Scottish Executive

SEEKIT

Supports projects that will promote co-operation in R&D and knowledge transfer between SMEs and the Scottish public sector science base

ITI Scotland

ITI Energy R&D Programmes

Identifies technologies required to address future global market opportunities then funds and manages R&D Programmes. £30 million available over 5 years

Invest Northern Ireland

Near Market Product and Process Development

One of the key objectives is to increase the number of well-designed, commercially successful Northern Ireland products introduced in both home and export markets. Focussed on helping businesses carry out research and development that will result in a marketable product. Both financial and advisory assistance is available which is tailored to the size and needs of individual companies.

- Compete - aims to help local companies become more competitive by providing support for developing innovative market-led products and manufacturing processes. Phase I (up to 50% costs to a maximum of £15,000) for planning the project and presenting a proposal. Phase II (up to 40% costs to a maximum of £250,000)
- Product and Process Development - aims to support smaller Northern Ireland businesses developing new market-led products and/or more efficient manufacturing/production processes. Up to 40% of costs to maximum £35,000
- Smart - aims to help small businesses develop new products and processes to improve their competitiveness, focussed on carrying out technical and commercial feasibility studies. Grant up to £45,000 for stage one and £150,000 for stage two. Smart Micro programme offers grants up to £10,000 to fund the development of low-cost prototypes of products or processes which involve technical advance and/or novelty

Invest Northern Ireland

Industrial Research

Assistance to help businesses gain new knowledge which will ultimately lead to the development or improvement of products or services. Up to 50% of project costs

- Start
- Foresight NI

Wales

SMARTCymru

Funding and support for the research, development and exploitation of technologically innovative products and processes. Grants can cover technical and commercial feasibility, industrial research, pre-competitive development and exploitation. Up to £200,000 or 75% of costs depending on programme

Regional Development Agencies

[Grant for R&D](#)

Aims to help start-ups and SMEs carry out research and development work on technologically innovative products and processes. Administered by each RDA

Other regional funding programmes are not included in this guide. Contact your RDA for funding streams available.

How to apply

The organisations making the funding available will outline the criteria for allocating funding. For further tips and help, contact [Business Link](#)

Other sources of finance

There are many other sources of finance available, such as loans, equity investment from business angels, venture capital finance etc. For an overview of options, try the following links

[No nonsense guide to small business funding](#) (for financial advice, funding options, solving funding and cashflow problems, expanding the business)

[No nonsense guide to finance for high growth companies](#)

[Business Link](#) is a very useful source of information, advice and support, to help customers make the most of opportunities to start and grow their business. In addition to helping find grants or other sources of funding, they can help with tax allowances and non-financial support. Affiliated organisations elsewhere in the UK are:

[Business Eye](#) – Wales

[Highlands and Islands Enterprise](#) – Scotland

[Business Gateway](#) – Scotland

[Scottish Enterprise](#)

[Invest Northern Ireland](#)

Other useful places for finding grants, other sources of finance or useful contacts are:

[Regional Development Agencies](#)

[Government Offices for the English Regions](#)

Trade associations may put businesses in touch with other businesses with potential to invest, business networks

Business networks

[Chambers of Commerce](#)

Local Authorities

Charitable organisations

Other general grants eg Princes Trust

If you know of other sources of R&D funding that could be used for microgeneration that are not listed here, please send details to micro.generation@berr.gsi.gov.uk