

ICNZ OH Transition Fund Assessment Guidance

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1 Introduction

As a pan-island innovation Centre, the Islands Centre for Net Zero (ICNZ) aims to support Orkney, Shetland and the Outer Hebrides (subsequently referred to as 'the Islands') in becoming pioneering communities in the energy transition. To do this, ICNZ which is led by the European Marine Energy Centre (EMEC) and its partners Heriot Watt University, Aquatera, Community Energy Scotland (CES) and the three Island' Councils, will explore, trial and accelerate solutions for decarbonisation.

The ICNZ primary objectives are:

1. To support the islands in becoming one of the first net-zero regions in the UK.
2. To create new 'green' jobs¹ within the islands.
3. To generate new enterprise and revenue streams and stimulate growth across the supply chains.
4. To ensure that decarbonisation efforts have an impact across all activities in the Islands Growth Deal.
5. To establish a globally connected and recognised innovation centre, delivering outcomes of international significance that can be replicated beyond the three island groups.

The ICNZ Outer Hebrides (ICNZ OH) programme includes a £2.86 million fund to support capital transition projects which support the objectives of ICNZ as laid out above. We are inviting stakeholders within the Outer Hebrides to submit transition project proposals which will be assessed by the ICNZ OH Project Board. Successful Proposals will be taken forward to be developed further alongside the ICNZ OH Delivery Team to form part of the ICNZ OH Final Business Case. The final decisions on this business case will be taken by the UK and Scottish Governments as funders of the [Island Growth Deal](#) and ICNZ.

The ICNZ OH Board aims to support the delivery of projects across the length of the Outer Hebrides to ensure the fund brings a positive impact to communities throughout the islands.

Assessment involves evaluating submitted applications to determine their eligibility for funding and prioritising which should receive support from ICNZ.

Like other funding applications, any proposals submitted to the ICNZ OH Board will be in confidence. To protect the applicants' ideas, this confidentiality extends to the assessment process and beyond.

This document should serve as a guide to applicants, outlining the principles of assessment and decision making for proposals which will be taken up by the ICNZ OH Project Board.

The purpose of the evaluation process is to identify projects that will support the ICNZ mission of driving sustainable decarbonisation across the Islands. To do this, the assessment will:

- **Evaluate for alignment with ICNZ goals:** Check if the project supports the ICNZ strategic and financial objectives.

¹ The International Labour Organisation (ILO) defines Green Jobs as employment that "reduces the consumption of energy and raw materials, limits greenhouse gas emissions, minimises waste and pollution, protects and restores ecosystems and enables enterprises and communities to adapt to climate change."

- **Ensure the project is feasible:** Determine if the project is realistic, achievable and aligns with available resources and constraints.
- **Provide accountability:** Ensure transparency and fair decision-making on predefined criteria.

1.1 Key Dates

Grant size:	£350,000<
Total Fund Size	£2,860,000
Location:	Outer Hebrides
Key Dates	
Proposal window opening date:	18/12/2024
Proposal window closing date:	21/03/2025
Proposal Selection:	Week commencing 24/03/25
Full Business Case Deadline:	23/05/2025



Timeline of ICNZ OH Transition Fund Process

1.2 Eligibility

Please note that proposed projects and its beneficiaries must be located within the Outer Hebrides. Our aim is to support a range of projects spread throughout the island chain.

You must meet the following criteria to be eligible for this opportunity:

Criteria	Description
1. Alignment with objectives	The project must align with the core objectives and strategic goals of ICNZ.
2. Geographic location	The project must be implemented on and directly benefit people and communities of the Outer Hebrides s.
3. Project scope and relevance	The project must be relevant to the priorities set out by ICNZ and must align with the need to reach net zero across the islands' economies.

4. Organisational eligibility	To be eligible, you must be a registered business, non-profit organisation or public sector body, small and medium enterprise (SME), start-up, academic or research institution.
5. Project readiness	The project must be a sufficient stage of development to be implemented within a reasonable timeframe (± 6 months). Clear definitions of project timeline, budget and resources are required.

For information on the on the claim process for grant recipients and definition of eligible capital expenditure within the Islands Growth Deal please refer to the [ICNZ OH Transition Fund Eligibility Guidance](#)

2 Project Assessment Overview

1.2 Weighted Scoring Model

The ICNZ OH Proposal Template asks a series of questions which will be assessed against various criteria. Each criterion will be assessed against a rating ranging from 'excellent' to 'not acceptable' with corresponding values between 4 - 0 (Table 1). A more detailed outline of the twelve criteria is provided in Section 3. Criteria will have been assigned a weighting, based on its relative importance to the decision.

Table 1. Criteria assessment rating and overall rating description.

Rating	Value	Rating description
Excellent	4	The project is highly relevant and presented in a compelling, persuasive manner with robust supporting evidence. The proposal is thorough, clear, and demonstrates a deep understanding of the requirements, providing detailed plans on how they will be fully met.
Good	3	The project aligns well with the criteria and is thoughtfully developed. The proposal is detailed enough to demonstrate a solid understanding and outlines how the criteria requirements will be effectively fulfilled.
Acceptable	2	The project is relevant and meets basic expectations. The proposal reflects a general understanding of the criteria but lacks specific details on how certain aspects will be addressed.
Poor	1	The project is only partially aligned with the criteria. The response covers some aspects of the requirements but lacks sufficient detail or explanation to clearly demonstrate how they will be fulfilled.
Not acceptable	0	The proposal is either absent or inadequate, failing to demonstrate the ability to meet the requirement.

3 Assessment Criteria

The following section provides an overview of the essential criteria which will be assessed using a weighted scoring model. Each criterion will have a pre-defined weighting (see Appendix).

1.3 Strategic Alignment

1.3.1 Net Zero

In accordance with the Islands Growth Deal, supporting a fair and inclusive transition to Net Zero across the islands by 2030 is one of the primary objectives of the programme. ICNZ therefore seeks projects which actively contribute to reducing carbon emissions, with a clear and measurable strategy in place and a focus on reducing significant greenhouse gas (GHG) emissions throughout its operations and supply chain. This aligns with Scotland's climate goals and the wider UK target of achieving Net Zero by 2030.

1.3.2 Problem

The proposal should clearly define and address a specific challenge or barrier to achieving the Islands' Net Zero goals by 2030, emphasising the project's potential to create a meaningful impact. It should ideally tackle a critical, well-defined issue directly related to these goals, supported by clear evidence and a strong case for the project's necessity.

1.3.3 Counterfactual

The project should clearly outline a counterfactual scenario, outlining what is likely to occur without the project's intervention. This should highlight the project's uniqueness, showcasing innovative approaches and solutions that set it apart from existing initiatives in addressing Net Zero challenges. Please explain why the ICNZ OH Transition Fund is the best placed means of supporting the project and why other sources of funding or support are not suitable for the proposed project.

1.3.4 Replicable Learning

Replicable learning is a key criterion, emphasising the project's ability to be scaled, adapted and shared to support broader Net Zero efforts. The proposal should demonstrate scalability, allowing outcomes to be applied at different levels, and adaptability, clarifying which processes are specific and which can be generalised. The standardisation of methods is important for consistent application, while transferability ensures that knowledge and skills can easily be adopted by other sectors and teams. Additionally, comprehensive documentation is essential in ensuring that best practices and lessons learned can be shared and enhance the project's wider impact.

1.3.5 Green job creation

Creating green jobs across the islands is a key metric for ICNZ and essential for achieving a just transition. Therefore, it is vital that projects clearly demonstrate their potential to create new employment opportunities or facilitate the transition of existing roles to greener industries within the Islands.

1.3.6 Supply chain development

The project should present evidence of creating or enhancing sustainable supply chains to minimise environmental impact, promote resource efficiency, and prioritise local sourcing where possible. This includes a lifecycle evaluation of products and services as the application progresses. This will ensure that practices align with sustainability principles and the projects'

supply chain contribute to the overall reduction of GHG emissions while promoting responsible consumption and supporting local economies.

1.3.7 Commercialisation

To ensure sustainability and long-term impact, the project should map out a clear path to market, outlining strategies for introducing its solutions and innovations to the commercial sector. If commercialisation is a non-viable option, the project should demonstrate potential for scalability and viability to support future decarbonisation efforts. Additionally, the project should illustrate how commercialisation will contribute to economic growth, create jobs and support broader Net Zero objectives.

1.3.8 Fairness and Equality

To foster sustainable economic growth across the Islands, ICNZ is committed to ensuring that all communities, including underrepresented and vulnerable groups, benefit from the investments and opportunities created. As such, projects should present a clear strategy outlining actions taken to promote inclusivity, with the goal to enhance both economic and social resilience across the Islands.

1.3.9 Islands Growth Deal

The project should demonstrate clear alignment with and contribution to the Islands Growth Deal objectives of sustainable economic growth, low-carbon innovation and community resilience. By aligning the projects' objectives with key priorities - such as decarbonisation, inclusive job creation local infrastructure enhancement and inclusive job creation - a holistic approach will be ensured, addressing the Islands' unique challenges and opportunities.

1.3.10 International Reputation Development

To support ICNZ's mission of becoming a global centre for excellence, the proposal should demonstrate how the project will help to develop a reputation for high quality research and development into decarbonisation and sustainability. Proposals must display innovative and novel approaches and explain how this work will be promoted locally and national as well as any potential partnerships that may be formed through the project.

1.3.11 Community and Stakeholder Engagement

Ideally, the project should display some level of previous community engagement, reflecting the current understanding, acceptance and capability to adopt new solutions or technologies. This criterion will not be assessed, however, providing evidence of previous stakeholder engagement or presenting a clear plan on how this will be accomplished will be considered advantageous.

1.4 Feasibility and Viability

At this stage of the assessment process, an investigation of the feasibility of a project will primarily focus on whether the project can be executed within the existing natural constraints of the Islands. This includes but is not limited to legal, economical, technical, financial and operational aspects, while also taking into consideration the unique geographical, environmental and infrastructural constraints of the Islands which may constrain the project's successful implementation.

1.5 Impact and Value

Evaluating a project's impact is important to gain a better understanding of the wider consequences and changes it may generate. Impacts can be both direct and indirect

outcomes on short and long timeframes. While there are many different types of impacts that can be considered, the primary areas of focus for supporting ICNZ's objectives will be:

- Social impacts
- Environmental impacts
- Economic impacts

To assess this, the following questions will be considered:

- What are the project's expected goals and outcomes?
- Who are the key stakeholders and who will benefit (directly or indirectly) from the project?
- What is the project's scope, timeline and budget?

In terms of value, the proposal will be evaluated for its contribution to:

- Strategic value: How well does the project align with ICNZ's organisational goals and enhance its market positioning or competitive advantage?
- Innovative value: Does the project introduce new technologies, processes, ideas, or products?

1.6 Risk Management

Section 7 of the proposal template includes a section on risks and mitigation strategies. It helps the assessors to understand potential challenges, prevent project failures, and helps with the delivery of a successful project. Setting out proactive mitigation strategies helps to reduce the likelihood or impact of a risk.

Examples of frequent risks include:

- Technical risks
- Financial risks
- Operational risks
- External risks

Risks will be evaluated through qualitative analysis, considering both their likelihood (low, medium, high) and their potential impact (minor, moderate, critical). The assessment outcome will not solely depend on this analysis but if a high risk with critical impact is found, the assessors may seek clarification from the proponent(s) or reject the proposal at their discretion.

4 Submission requirements

1.7 Submission Process

Proposals must be submitted to matthew.logan@communityenergyscotland.org.uk using the ICNZ OH Proposal Template form. Submissions outside of this format will not be considered for the assessment process.

Key considerations prior to submission:

- **Be concise.** Assessors should be able to read, comprehend and evaluate your proposal within 1.5 hours.

- **Be thorough:** Include as much detail as possible while remaining within the word limit for each section.
- **Submit a final version:** Ensure your proposal is complete before submitting, as no additional information can be added afterward.
- **Meet deadlines.** Proposals submitted after the deadline will not be considered. Plan accordingly.

Should you require any support prior to submission, please send any queries to matthew.logan@communityenergyscotland.org.uk

5 Feedback

Feedback will be provided to project proponents throughout the assessment process, including after an unsuccessful proposal submission. Proponents of unsuccessful proposals may be given the opportunity to receive support from the ICNZ Accelerator Team to explore and secure alternative sources of funding. Please note that the timelines for assessments, and feedback are indicative and subject to change at the discretion of the ICNZ OH Delivery Team. We reserve the right to adjust these timelines based on the specific needs of each project and other external factors.

6 Contact Information

For any questions or queries regarding the submission or assessment process, please contact matthew.logan@communityenergyscotland.org.uk

7 Legal and Compliance

GDPR Compliance Notice

By submitting this form, you consent to the collection and processing of your personal data solely for the purpose of responding to your inquiry. We will not share your data with third parties or use it for any other purpose without your explicit consent. You have the right to request access to, correction of, or deletion of your data at any time by contacting us directly.

It should be noted that the information contained within this document and the ICNZ Transition Fund Eligibility Guidance are not legally binding. Formal agreements will be made with those organisations who are successful in their proposals to the Transition Fund.

