



ENABLING TRANSFORMATIONAL  
INNOVATION

# Agribusiness Innovation Grant (AIG) Guidelines

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## PURPOSE

These Guidelines are intended to provide assistance to applicants wishing to apply for a grant under the AGMARDT Agribusiness Innovation Grants Programme.

## OBJECTIVE OF THE PROGRAMME

The objective of this programme is to encourage and support industry sectors and businesses to develop and implement innovative solutions to assist with transformational change within agribusiness value chains, with particular focus on the agricultural, horticultural and forestry sectors.

AGMARDT Agribusiness Innovation Grants provide an opportunity for applicants to:

- Pursue 'on the edge' ideas that can transform a business or industry;
- Speed up innovation and respond quickly to opportunities that are driven by new ideas or insight arising from the marketplace;
- Facilitate linkages between innovative New Zealand researchers, producers, processors and marketers; and
- Gain a better understanding of world class best practices.

Under this programme AGMARDT provides seed funding for businesses, researchers and industry groups to develop and evaluate innovative ideas to a stage where they can attract other funding for further development through to commercialisation.

### Agribusiness Innovation Grant Categories

The following grant categories are available:

1. **Pre-trial/pre-research, or demonstration/investigation purposes**

Seed funding grants for projects with total costs less than \$20,000 (incl. GST) are available to applicants without co-funding, for preliminary investigation or demonstration purposes.

Applicable funding examples include research aimed at seeking solutions to problems identified; proof of concept; validating claims of efficacy for an untested product and/or practice.

2. **Research and technology development**

For projects with a total cost exceeding \$20,000, AGMARDT has available grants of up to \$200,000 (incl. GST). These are available for businesses, researchers and industry groups to develop and evaluate innovative ideas to a stage where they can attract other funding for further development through commercialisation.

AGMARDT funds New Zealand based research providers to undertake new and innovative projects that will benefit the New Zealand agribusiness sector.

The applicant/group will provide a minimum cash or co-funded contribution of at least **40%** of the total project costs. This is an indication of commitment to the project. The Trustees reserve the right to allocate a smaller amount than originally requested by the applicant.

Co-funding from another source(s), must to be clearly disclosed by the applicant during the application process, and/or during the life of the project.

## Eligible Applicants

To be eligible for funding, applicants must:

- Be involved in agribusiness and/or be a research/technology provider and involved in the New Zealand agricultural, horticultural and forestry sectors;
- clearly demonstrate that the project innovation/idea can transform a business or industry;
- identify how AGMARDT funding can assist in speeding up innovation to respond quickly to opportunities arising from the marketplace;
- identify what difference AGMARDT's funding can make to the project (i.e. likelihood of the project proceeding or proceeding more quickly);
- build linkages and capability between innovative New Zealand researchers, producers, processors and marketers; and
- be committed to, where possible, retaining the value and benefits arising from the project within New Zealand.

## Ineligible activities

Some activities are not funded by this programme. The following list is a guide to the types of project related activities or costs the programme does not cover. The Trustees have the right to exclude other costs if they believe appropriate. The programme does not cover costs relating to:

- 'business as usual' expenses, including:
  - overheads incurred in the course of normal business/industry;
  - activities that are already happening in business/industry;
  - capital expenditure, such as spending on machinery, equipment, stock, software, and so on;
- expenses the business/industry would incur anyway if you did not get funding under this programme;
- Costs that are not in cash, including:
  - contra, transfer, and internal invoices and payments; and
  - barter or in kind payments
- Work supplied by anyone with a personal or financial interest in the entity and/or group, such as any immediate family of the applicant or shareholders of the applicant company, unless otherwise agreed by the Trustees. Duplication of funding assistance, or potentially supported by other agencies (e.g. MAF SFF), unless expressly agreed to by the Trustees.
- Entertainment or personal costs that are not directly related to the project.
- Costs the business/industry incurred before or after the project has ended.

- Web based product/services are regarded as capital expenditure.
- Duplication of work proposed in the project (i.e. the same project has recently been completed by the applicant group or another party).

## SELECTION PROCESS

All suitable applications will be considered by the AGMARDT Board of Trustees and their advisors. The selection process involves two stages:

- Stage 1 - Project Inquiry
- Stage 2 - Project Request

### Project Inquiry

The Project Inquiry forms are designed to elicit sufficient detail to enable the Trustees to assess the nature and merit of the proposal. There are two forms available, they are:

#### Inquiry less than \$20,000 (Inc. GST)

Total project costs are not to exceed \$20,000 (incl. GST). Submission of this form will enable the Trustees to assess the merits of the proposal and understand the funding requirements in more detail. Approval may be granted directly from this application form.

The Trustees reserve the right to request a full Project proposal be submitted if required.

#### Inquiry more than \$20,000 (Inc. GST)

Sufficient detail is required to enable the Trustees to assess the nature and merit of the proposal and if approved will request a full proposal be submitted for consideration.

### Project Request

If the Project Inquiry is approved, the applicant will be asked to submit an Project Request. Your application will undergo a second round of evaluation to assist the Trustees in making their decision.

Please note that by calling for a full application this does not mean that your proposal will be supported.

## APPLICATION FORMS

### Agribusiness Innovation Grant – Inquiry less than \$20,000

This application is only to be completed for projects with total cost of \$20,000 or less, inclusive of all contribution towards the project. AGMARDT will fund up to \$20,000 for this project.

#### Name of Group

Depending on the nature of the project, the Name of Group can be a separate entity, or a collaborative Group of relevant parties (e.g. farmer/growers, farm consultants, veterinarian service agencies, companies involved in agribusiness and/or research/technology providers).

The Trustees will consider the makeup and capability of the Group in being able to deliver on the objectives and project plan of the project. Where the applicant is an industry body, a sub-committee of active members must be established to oversee the project.

#### Funding Required (Section 1.8)

Include cash contributions committed by parties involved in the project.

Non-cash contributions must not be included. Any payments to any members of the Group and/or payments to service providers/sub-contractors must be included under the Cost of the Project.

#### Duly Authorised Person (Section 2.1)

One of the participating Group Members must act as the Duly Authorised Person of the Group. All correspondence (including payments) relating to the project will be sent to the Duly Authorised Person.

#### Project Performance Measures (Section 4)

To effectively gauge the “success” of the proposed project, the Trustees require the applicant to provide three (minimum) to a maximum of five (recommended) key performance objectives or activities that can be measured against a targeted outcome (KPI).

These will relate directly to the project goals, as itemised in section 3.1 of the application form and will be reported on by the applicant in the Final Report only.

Examples of typical (but not exclusive) KPI's:

- Expected deliverables/outcomes by a due date
- Speed to market – timeframe for insight/idea to market
- Investment attracted at completion (\$ commercial funding)
- Brand recognition/exposure for AGMARDT

Some more generic measures may be:

- Number of projects/research that progress to commercialisation
- Number of new product in the market
- Number of applications that improve the value chain
- Uptake of technology and practices

The Trustees reserve the right to amend or add KPI's to provide a more effective measure if appropriate.

### Project Budget (Section 5)

The proposed budget for the project must clearly detail all expenditure items;

- Any and all non-arm's length payments must be separately identified in the project budget;
- Non-cash items must not be included; and
- Costs incurred prior to, or loading up after project has ended, are not eligible and therefore must be excluded from the project budget.

### Milestone Table (Section 6)

Describe the major stages or milestone of the project showing the planned completion date for each and the planned achievement criteria for verifying that the milestones have been reached. Progress payments are made in accordance with the milestone table.

The progress payments should be spread over the duration of the project in line with costs incurred and the satisfactory achievement (at AGMARDT's discretion) of the Milestones listed. For administrative efficiency we require progress claims & reporting to be submitted quarterly unless otherwise agreed with AGMRDT.

The amount of the final progress payment must be at least 25% of the total grant and will be made following approval by AGMARDT, in its absolute discretion, of the Final Report (see section on reporting below).

If the actual total costs for whole project comes to less than the maximum amount of the grant, the final claim must be adjusted as AGMARDT will only reimburse actual expenditure incurred.

The final claim must therefore be supported by a full analysis of all costs for the project, as compared to the original budget, and the successful Applicant must respond promptly to any queries that AGMARDT might have when considering the Final Report and accompanying costs analysis.

### Payments

The Applicant must have its own bank account with duly authorised signatories. Payments will be made in the name of the successful Applicant.

All payments must be applied solely and exclusively for the project AGMARDT has funded. All progress payments are made 20th of the following month.

Each claim for payment must be accompanied by:

- A GST Inclusive **Invoice**
- AGMARDT Claim Certificate to be signed by the Project Manager and Financial Officer to confirm the expenditure is in accordance with the approved budget;
- Detailed expenditure items need to be identified, with copies of invoices exceeding \$1,000 (excl.GST) to be attached;
- A progress or final report (see section on Reporting below for more details)



## Referees (Section 7)

AGMARDT requires two Industry and Character Referees. They must be independent of the Group, Trustees of AGMARDT, and the project. Industry and Character Referees must not be the same people.

## Agribusiness Innovation Grant – Inquiry more than \$20,000

This application needs to be completed for projects with a total cost exceeding \$20,000. No attachments will be considered with this initial inquiry.

### Name of Group

Depending on the nature of the project, the Name of Group can be a separate entity, or a collaborative Group of relevant parties (e.g. farmer/growers, farm consultants, veterinarian service agencies, companies involved in agribusiness and/or research/technology providers).

The Trustees will consider the makeup and capability of the Group in being able to deliver on the objectives and project plan of the project. Where the applicant is an industry body, a sub-committee of active members must be established to oversee the project.

### Duly Authorised Person (Section 2.1)

One of the participating Group Members must act as the Duly Authorised Person of the Group. All correspondence (including payments) relating to the project will be sent to the Duly Authorised Person.

### Referees (Section 4)

AGMARDT requires two Industry and Character Referees. They must be independent of the Group, Trustees of AGMARDT, and the project. Industry and Character Referees must not be the same people.

## Agribusiness Innovation Grant Request Form

### Name of Group

Depending on the nature of the project, the Name of Group can be a separate entity, or a collaborative Group of relevant parties (e.g. farmer/growers, farm consultants, veterinarian service agencies, companies involved in agribusiness and/or research/technology providers).

The Trustees will consider the makeup and capability of the Group in being able to deliver on the objectives and project plan of the project. Where the applicant is an industry body, a sub-committee of active members must be established to oversee the project.

### Funding Required (Section 1.8)

Include cash contributions committed by parties involved in the project. Non-cash contributions must not be included. Any payments to any members of the Group and/or payments to service providers/sub contractors must be included under the Cost of the Project.

### Duly Authorised Person (Section 2.1)

One of the participating Group Members must act as the Duly Authorised Person of the Group. The Duly Authorised Person of the Applicant Group cannot act as the project's Financial Officer. The Financial Officer must be one of the participating members of the Applicant Group. All correspondence (including payments) relating to the project will be sent to the Duly Authorised Person.

### Project Governance (Section 2.10)

Should a Governance Board/Group be established for the project, AGMARDT would expect this Board/Group to meet at least three times per annum over the duration of the project. There would also be an expectation that the Final Report has been signed off by the Governance Board/Group before being presented to the AGMARDT Board of Trustees.

#### *Projects over \$100,000*

The Applicant Group is required to implement a formal structure to provide project oversight that is consistent with good governance for the project, including:

- Providing oversight of the management of the project;
- Assessing the outcomes against the Project Plan (section 3.4) and Milestones (section 6) to ensure that these have been satisfactorily completed;
- Monitoring and signing off the finances of the project against the agreed budget;
- Providing direction during the project if need be; and
- Considering the next stage of the project.

#### *Projects under \$100,000*

The Applicant Group needs to be able to demonstrate to AGMARDT that it has appropriate processes in place to critically assess:

- The project outcomes against the Project Plan (section 3.4) and Milestones (section 6); and
- The financial performance of the project against budget.

The applicant or group needs to be able to demonstrate that it has established and maintained good processes throughout the life of the project as it may be subject to independent audit by an auditor of AGMARDT's choosing.

#### Project Performance Measures (Section 4)

To effectively gauge the “success” of the proposed project, the Trustees require the applicant to provide three (minimum) to a maximum of five (recommended) key performance objectives or activities that can be measured against a targeted outcome (KPI).

These will relate directly to the project goals, as itemised in section 3.1 of the application form and will be reported on by the applicant in the Final Report only.

Examples of typical (but not exclusive) KPI's:

- Expected deliverables/outcomes by a due date
- Speed to market – timeframe for insight/idea to market
- Investment attracted at completion (\$ commercial funding)
- Brand recognition/exposure for AGMARDT

Some more generic measures may be:

- Number of projects/research that progress to commercialisation
- Number of new product in the market
- Number of applications that improve the value chain
- Uptake of technology and practices

The Trustees reserve the right to amend or add KPI's to provide a more effective measure if appropriate.

#### Project Budget (Section 5)

- The proposed budget for the project must clearly detail all expenditure items;
- Any and all non-arm's length payments must be separately identified in the project budget;
- Non-cash items must not be included; and
- Costs incurred prior to, or loading up after project has ended, are not eligible and therefore must be excluded from the project budget.

#### Milestone Table (Section 6)

Describe the major stages or milestone of the project showing the planned completion date for each and the planned achievement criteria for verifying that the milestones have been reached. Progress payments are made in accordance with the milestone table.

The progress payments should be spread over the duration of the project in line with costs incurred and the satisfactory achievement (at AGMARDT's discretion) of the Milestones listed. For administrative efficiency we require progress claims & reporting to be submitted quarterly unless otherwise agreed with AGMRDT.

The amount of the final progress payment must be at least 25% of the total grant and will be made following approval by AGMARDT, in its absolute discretion, of the Final Report (see section on reporting below).

If the actual total costs for whole project comes to less than the maximum amount of the grant, the final claim must be adjusted as AGMARDT will only reimburse actual expenditure incurred.

The final claim must therefore be supported by a full analysis of all costs for the project, as compared to the original budget, and the successful Applicant must respond promptly to any queries that AGMARDT might have when considering the Final Report and accompanying costs analysis.

## Payments

The Applicant must have its own bank account with duly authorised signatories. Payments will be made in the name of the successful Applicant.

All payments must be applied solely and exclusively for the project AGMARDT has funded. All progress payments are made 20th of the following month.

It is a requirement that all final reports are approved at the next Trustees meeting. It is important to note that your final payment will be withheld until this meeting occurs.

Each claim for payment must be accompanied by:

- 
- A GST Inclusive **Invoice**
- AGMARDT Claim Certificate to be signed by the Project Manager and Financial Officer to confirm the expenditure is in accordance with the approved budget;
- Detailed expenditure items need to be identified, with copies of invoices exceeding \$1,000 (excl.GST) to be attached;
- A progress or final report (see section on Reporting below for more details)

## Referees (Sections 8)

Industry and Character Referees must be independent of the Applicant Group, Trustees of AGMARDT, and the project. Industry and Character Referees must not be the same people.

## Non-Cash Contributions (Section 9.1)

Non-Cash Contributions should not be quantified. Costs of Group meetings will not be covered by the grant.

## REPORTING REQUIREMENTS

Successful Applicants must comply with all of the reporting requirements, which are set out in the Funding Agreement. The AGMARDT Board of Trustees view all reports provided by successful Applicants. Please ensure the reports are understandable to a layperson. A highly technical report is acceptable for specialist review but it must be accompanied by a concise summary of the project's outcomes.

### Progress Report

Progress Reports are required when payment claims are submitted (recommended quarterly). Progress against Milestones and the budget for the project needs to be reported.

The progress payments should be spread over the duration of the project in line with costs incurred and the satisfactory achievement (at AGMARDT's discretion) of the Milestones listed. For administrative efficiency we require progress claims & reporting to be submitted quarterly unless otherwise agreed with AGMARDT. Go to the Resources tab on the website <http://applications.agmardt.org.nz/> for reporting templates.

### Final Report:

The purpose of the final report is to:

- bring together the results of the project reported against the original objectives of the project.
- summarise the objectives against the KPIs
- demonstrate the benefits to NZ
- provide information about the future of the project

Please note that all final reports are made publically available on the AGMARDT website.

If your report contains commercially sensitive information please discuss with AGMARDT and supply a summary report which can be made publicly available.

### The final report must:

- Include an executive summary;
- Link the objectives and goals of the project to outcomes achieved (3 pages);
- Detail results achieved against the Milestones set out in the original application;
- Report using the template provided, on the Key Performance Measures (KPI's) as recorded in the grant application;
- In two pages report on how the project enabled the applicant to:
  - transform a business or industry;
  - speed up innovation and respond quickly to opportunities arising from the marketplace; and
  - facilitated linkages between innovative New Zealand researchers, producers, processors and marketers.
- Report on the "next steps" or "future aspirations" resulting from the success of this project, for the next 6 to 12 months and beyond?

- Report on how the project enabled the successful Applicant to develop a deeper understanding of their market(s) and how they identified and exploited potential opportunities to integrate closer with their customer(s) (2 pages);
- Identify all additional achievements and/or provide additional comment;
- A summary of total income and expenditure of the project compared with the original budget; and
- A separate summary Final Report must be provided to AGMARDT for use on the website or for media release (1 page). Go to the Resources tab on the website <http://applications.agmardt.org.nz/> for templates.

## PAYMENTS

### Progress and Final Payments

The Applicant Group must have its own bank account with duly authorised signatories appointed by the group. Payments are to be made in the name of the Applicant Group.

All payments must be applied solely and exclusively for the project AGMARDT has funded. All progress payments are made 20th of the following month.

It is a requirement that all final reports are approved at the next Trustees meeting. It is important to note that your final payment will be withheld until this meeting occurs.

Each claim for payment must be accompanied by:

- A GST Inclusive **Invoice**
- AGMARDT Claim Certificate to be signed by the Project Manager and Financial Officer to confirm the expenditure is in accordance with the approved budget;
- Detailed expenditure items need to be identified, with copies of invoices exceeding \$1,000 (excl.GST) to be attached;
- A progress or final report (see section on Reporting above for more details)

## GENERAL

### Dissemination/Commercial Sensitivity

As a not-for-profit trust, AGMARDT usually makes the information arising from its grants publically available.

Unless otherwise agreed to by AGMARDT and the applicant, AGMARDT can provide a summary of the aims of the project on its website.

Should the project be commercially sensitive, AGMARDT and the applicant will discuss and agree on the information to be made publically available having regard to AGMARDT's policy obligations.

### Declined Applications

It is AGMARDT's policy not to provide reasons why applications are declined.

### Independent Audit

For financial performance and management of the project, the Trustees reserve the right to ask for an independent audit by an auditor of AGMARDT's choosing. The Trustees may, through AGMARDT's advisors, or if required AGMARDT appointed specialists, undertake a review of the work in progress and eventual outcomes.

### Grant Withdrawals

A grant may be withdrawn at the sole discretion of the Trustees where:

- Reports and payments account receipts have not been provided or have not been provided in a timely manner;
- No part of the funding has been uplifted within one year of the grant being approved;
- There has been no response to AGMARDT's correspondence on the project;
- No satisfactory progress has been made;
- The Applicant Group goes into liquidation or receivership or ceases to operate; or
- There has been unauthorised variation to the project or budget.

### Confidentiality

Advisors' and referees' comments are confidential to AGMARDT.

### Intellectual Property

AGMARDT does not normally take ownership and/or management of intellectual property. It does, however, reserve the right to take a financial interest in intellectual property should this be agreeable to both the applicant and AGMARDT.

### Change of Key Personnel

Applicants must inform AGMARDT of any change in key personnel working on the project being funded.

### Resubmission of Declined Applications

Where a Project Inquiry or Grant Request has been declined, the applicant may resubmit a Project Inquiry after 12 months providing the project has been modified/updated.

### Late Applications

Project Inquiries and Grant Requests received after close-off dates will be held over for



consideration. Applications may be considered throughout the year at the discretion of the General Manager.