

**AGMARDT**

FUTURE SHAPERS

# Market Insight Investment Guidelines

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## PURPOSE

These guidelines are intended to provide assistance to any Applicant wishing to apply for a grant under the AGMARDT Market Insight Investment programme.

## OBJECTIVES OF THE PROGRAMME

The objective of this programme is to encourage New Zealand agribusinesses to integrate with customers in the international marketplace.

The future of New Zealand agribusiness needs to be based on companies being forward-integrated into customer markets. The Market Insight Investment is designed to support businesses and industry groups to gain a deeper understanding of their markets and identify and exploit potential opportunities.

AGMARDT Market Insight Investment's provide an opportunity for any successful Applicants to:

- Gain consumer insight and understanding of a specific international marketplace;
- Foster deeper relationships with their customers;
- Target potential collaborative international partners and international alliances in key markets; and
- Develop understanding and capability of the global market place and global trends.

### Funding Levels

AGMARDT Market Insight Investments are available from \$50,000 up to \$400,000 (inclusive of **GST**). There is a requirement that successful Applicants will provide matching cash funding on a dollar for dollar basis.

Trustees may, at their discretion, accept applications outside of the funding range, vary the requirement for match funding and reserve the right to allocate smaller amounts than originally requested by the Applicant.

AGMARDT is a "public authority" as defined in Section 2 of the Goods and Services Tax Act, and is therefore an "instrument of the Crown". Under the Act [Section 5 (6D)] any grants allocated by a public authority are deemed to be GST inclusive and received in the course of the recipient's taxable activity.

## PRINCIPLES

In reviewing applications, due consideration is given to the following:

1. AGMARDT's Strategic Objectives  
Does the application align with AGMARDT's strategic objectives?
2. Eligibility of Applicant  
The Applicants must:
  - be one or more businesses, or a representative of an established industry group, operating in the New Zealand agricultural, horticultural or forestry sectors;
  - be committed to retain the value and benefits arising from the project within New Zealand.

### Eligible Projects

Market Insight Investment applications are eligible for consideration by AGMARDT in the following areas:

- Consumer and Market Insight:  
AGMARDT will consider funding assistance for businesses, or established industry groups, to undertake market research and consumer insight activities within specific international markets.
- Establishing Collaborative Relationships:  
AGMARDT will consider providing funding for businesses or industry groups to enable them to explore the prospect of developing collaborative relationships that are beneficial to the agribusiness community in 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

- Services 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. The Applicant acknowledges that it must disclose to AGMARDT all such third-party funding (both when applied for and, if appropriate, when such funding is granted).
- 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

Applications received via the online portal (<http://applications.agmardt.org.nz/>) will be considered by the AGMARDT Board of Trustees and advisors where appropriate.

The application form does require formal structure are established differentiating between projects as shown below.

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

For projects with anticipated aggregate expenditure **under \$100,000**, the successful Applicant must implement, and must maintain for the duration of the project, appropriate processes in place to critically assess outcomes and financial performance. This is explained in further details under [Project Governance](#).

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

For projects with anticipated aggregate expenditure of **over \$100,000**, successful Applicants must implement, and must maintain for the duration of the project, a formal structure to provide oversight of the processes in place that are consistent with good governance for the project. This is explained in further details under [Project Governance](#).

## REPORTING REQUIREMENTS

Successful Applicants must comply with all the reporting requirements. 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 the AGMARDT Final Report found in the [Resources tab](#) on the website <http://applications.agmardt.org.nz/>.

## Progress Report

Progress Reports are required to allow the Trustees to stay informed on the progress of the project and how it is tracking against the milestones set in the original application. Quarterly progress reports are required when progress payments are submitted.

A progress report template has been created and can be found in the [Resources tab](#) on the website <http://applications.agmardt.org.nz/>.

A progress report must include the following:

- Project Title, Group Name, Funding Number\*, Grant Amount, Reporting Period
- Summary of overall progress - this is looking at milestones and how these are tracking against the original application;
- Outline any variations to milestones and provide explanation for the change in focus or timing;
- Project summary - this is a concise executive summary of the project to date;
- Summary of progress of project, using bullet points, describe the main progress of the project;
- Analysis of costs for the project compared to budget.

*\*Funding number – will be supplied to the successful applicant in the AGMARDT approval letter.*

## Final Report

The purpose of the final report is to bring together the results of the project reported against the original objectives and KPIs of the project, it should demonstrate the benefits to NZ and provide information about the future of the project.

A Final Report template has been created and can be found in the [Resources tab](#) on the website <http://applications.agmardt.org.nz/>.

**Please note** that all final reports are made publicly 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;
- Detail results achieved against the Milestones set out in the original application;
- Report against the Key Performance Measures (KPI's) as outlined in the grant application;
- 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 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);
- 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

## 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.

Each claim for payment must include:

- An IRD approved Tax Invoice
- AGMARDT [Claim Certificate](#) (this can be found in the [Resources tab](#) on the website <http://applications.agmardt.org.nz/>) to be signed by the Project Manager and Financial Officer to confirm the expenditure is in accordance with the approved budget;
- Analysis of costs for the project compared to budget if not included in the progress or final report;
- A progress or final report (see section on [Reporting](#) above for more details)

### Timing of Progress Payments

All progress payments which have satisfactory complied with the requirements of the grant are made 20th of the following month.

### Timing of Final Payments

Final payments are withheld until they are approved by the Trustees at the next available Trustee meeting. This date will usually be communicated to you on receipt of the Final Report.

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.

On approval of the Final report and compliance with the requirements of the grant payment will be made 20<sup>th</sup> of the following month.



## APPLICATION FORMS

### Name of Group (Section 1.1)

Depending on the nature of the project, the Name of Group can be a separate entity, or a collaborative Group.

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.

### Short title of Project (Section 1.2)

This is the name of the project. Note this is the title that AGMARDT will use in all its correspondence to the applicant/group regarding this grant.

### Recipient (Section 1.3)

Select from one of the options available.

### Part of the Value Chain (Section 1.4)

Select from one of the options available.

### Sector (Section 1.5)

Select from one of the options available.

### Sub-Sector (Section 1.6)

Select from one of the options available.

### Topic (Section 1.7)

Select from one of the options available.

### Funding Required (Section 1.8)

Include cash contributions committed by parties involved in the project. Non-cash contributions must not be included.

### Cost of Project (Section 1.9)

Include any payments to any members of the Group and/or payments to service providers/sub-contractors.

### Name of Business or Industry Group (Section 2.1)

Name of business or industry group for correspondence to be made out to

### Principal Contact for correspondence (Section 2.2)

One of the participating Group Members must act the principal contact person. All correspondence relating to the project will be sent to this 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 3.3 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 for a Market Insight Investment:

- Market penetration, market share and/or sales volumes;
- In-market contacts and relationships formed;
- Trade shows, sales presentations attended;
- Number of companies engaged, new commercial partnerships formed and/ or new contracts signed;
- Growth of quantity and/or \$ value products exported;
- Number of new employees;
- Brand recognition;
- Social media / online / web statistical achievements.

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 sources of funding and expenditure;

- 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.

The progress payments should be spread over the duration of the project in line with costs incurred. 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.

## Existing Research (Section 7)

To avoid duplication, AGMARDT requires applicants to review relevant research in relation to the project. Therefore, please provide details of research carried out in this specific area to date and contact(s) made to verify this information.

## Referees (Section 8)

The Applicant must provide contact details from two referees. The referees must be independent.

## Project Management (Section 9.1)

The Project Manager for the project must be different from the Applicant's Financial Officer and the Applicant's Financial Officer must be part of, and remain directly involved in, the management structure for the project.

## Project Governance (Section 9.2)

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

For projects with anticipated aggregate expenditure **under \$100,000**, the successful Applicant must implement, and must maintain for the duration of the project, appropriate processes in place to critically assess:

- The project outcomes against the Project Management Plan (section 9 of the Application Form) and Milestones (section 6 of the Application Form); and
- The financial performance of the project against approved budget.

Successful Applicants will need to be able to demonstrate that they have established and maintained good processes throughout the life of the project as they may be subject to independent audit by an auditor of AGMARDT's choosing.

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

For projects with anticipated aggregate expenditure of **over \$100,000**, successful Applicants must implement, and must maintain for the duration of the project, a formal structure to provide oversight of the processes in place that are consistent with good governance for the project, including:

- Providing oversight of the management of the project;
- Assessing the outcomes against the Project Management Plan (section 3.7 of the Application Form) and Milestones (section 6 of the Application Form) to ensure that these have been satisfactorily completed;
- Monitoring and signing off the finances of the project against the approved budget;
- Providing direction during the project if need be; and
- Considering the next stages of the project after AGMARDT's involvement ends.

Should a Governance Board/Group be established for the project, this Board/Group is to meet at least three times per annum over the duration of the project. The Final Report will also need to have been signed off by the Governance Board/Group before being presented to the AGMARDT Board of Trustees.

## GENERAL

### Dissemination/Commercial Sensitivity

As a not-for-profit charitable trust, AGMARDT usually makes the information arising from its grants publically available, and reserves the right to do so in the instance of all projects in respect of which Market Insight Investment funding is provided.

AGMARDT will publish the final report on its website. Should the project be identified as commercially sensitive, AGMARDT and the applicant will discuss and agree on the information to be made publicly available having regard to AGMARDT's policy obligations.

Successful Applicants must not make any public statement or issue any press release or other publicity relating to this Funding Agreement, without the prior written approval of AGMARDT as to the form and content of such statement.

### Change of Key Personnel

The successful Applicant must inform AGMARDT of any change in key personnel working on the project.

### Confidentiality

Advisors' and referees' comments are confidential to AGMARDT.

### Declined Applications

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

### Funding Agreement

A successful Applicant will be asked to sign/complete a Funding Agreement which sets out the terms of the grant.

### Grant Withdrawals

A grant may be withdrawn in certain circumstances at the sole discretion of the Trustees.

### 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.

### Intellectual Property

AGMARDT does not normally take ownership and/or management of intellectual property. However, AGMARDT may seek to agree specific arrangements concerning intellectual property on a case-by-case basis and, if it does this, they will be dealt with in the Funding Agreement to be entered into between the parties.