

Thinking about funding for your economic development project? It's not all about the PGF"

They say “nothing is certain except for death and taxes”. We could probably add “the need to secure funding to support economic development” to this old saying. It’s a tough and absolutely critical part of bringing projects to life and the demand for funding will almost always outstrip the availability of scarce resources. This means early preparatory work is really critical in helping you to effectively position your project or organisation to meet funder criteria and increase your chances of funding success.

The Provincial Growth Fund (PGF) is currently the big player in town. It’s big number (\$3 billion over 3 years) and the political scrutiny that comes with such large funds have captured the headlines. But the PGF may not be the best source of funding depending on your project or investment needs. For example, where projects need more feasibility or business case work completed before being ‘investment-ready’. This quick blog outlines some of the other economic development-related funds (some of which are grant-based rather than the loan-based approach for commercial profit-driven projects under the PGF) that our clients might want to think about as they consider seeking potential support from central government for key economic development-related projects. If you want to have a chat about any of these options (and there are others which we can explore) then we’d love to hear from you.

Tourism Investment Fund

The Tourism Infrastructure Fund (TIF) provides up to \$25 million annually to develop tourism-related infrastructure that supports regions facing pressure from tourism growth. Applications are now open until 28 August 2019. The next round of TIF funding will then open on 1 March 2020.

Sustainable Food & Fibre Futures (SFF Futures) Fund

Sustainable Food & Fibre Futures (SFF Futures) funds innovative projects that will create more value from the food and fibre industries. Projects could be about developing new products or services, or ideas for creating new jobs, increasing skills and capability, or encouraging better collaboration and information sharing. They can range from small, one-off initiatives requiring a small grant, to long-running, multi-million-dollar partnerships. SFF Futures is a co-investment fund, so you'll need to contribute some of the costs. As a general guide to the money available is typically along the line of:

- Small grant - up to \$100,000 for up to one year
- Grant - up to \$2m for up to 3 years
- Small partnership - between \$2m-\$5m for between 3 and 5 years
- Partnership - over \$5m for 5 years or more

Māori Agribusiness Fund: Pathway to increase productivity

MPI's Māori Agribusiness: Pathway to Increased Productivity (MAPIP) programme aims to partner with Māori to overcome some of the unique challenges Māori face when developing their primary sector assets. The programme has a specific focus on Māori primary sector assets (agriculture, horticulture, forestry, or seafood) that are in collective ownership. It has a specific focus on tangible on-the-ground projects that will lead to increasing productivity. There is an upper limit of \$100,000 per application and the fund could help support work based around six common steps that have been identified that can assist Māori to successfully improve the performance of their land:

1. Establish a Project Group: Discuss opportunities with surrounding land owners.
2. Develop a strategic plan: Develop plan to reflect the goals and aspirations of the group.
3. Develop a feasibility study: Determine the best use of the land.
4. Getting owners on board: Explain the opportunity to the wider group.
5. Set up governance structure: Get the right people in the right positions.
6. Operational set-up: Depending on what option the group has decided to go with.

One Billion Trees Fund

The Government has allocated \$120 million through the One Billion Trees Fund for direct grants to landowners – particularly farmers – to include trees on their farms. The Fund does not support whole farm conversions and has a target of planting two-thirds natives. This Fund is administered by Te Uru Rākau (Forestry New Zealand) and funded via the Provincial Growth Fund.

Vision Mātauranga Capability Fund

Te Pūnaha Hihiko: Vision Mātauranga Capability Fund aims to: strengthen capability, capacity, skills and networks between Māori and the science and innovation system, and increase understanding of how research can contribute to the aspirations of Māori organisations and deliver benefit for New Zealand. The Fund invests in the development of skilled people and organisations that plan to undertake, or are undertaking, research that supports the themes and outcomes of MBIE's Vision Mātauranga policy (which aims to unlock the science and innovation potential of Māori knowledge, resources and people to assist New Zealanders to create a better future). Funding (\$2m per year) is available through 2 schemes: Connect Scheme (up to \$10,000) and Placement Scheme (up to \$180,000). The Connect Scheme seeks to build new connections between Māori organisations and the science and innovation system. The Placement Scheme seeks to enhance the development of an individual(s) through placement in a partner organisation.

Maori Innovation Fund

Te Pūnaha Hiringa: Māori Innovation Fund provides annual funding to help Māori collectives gain the necessary understanding and knowledge to realise their assets' economic potential. Te Pūnaha Hiringa Māori Innovation Fund currently funds 4 programmes: He Tupu Ōhanga - Commercial Advisors Scheme, Kōkōri Accelerator Business Programme, Pakihi workshops and Rangatahi Business Challenges.

Community Environment Fund

The Community Environment Fund is worth just over \$2m per year and is administered by the Ministry for the Environment. The fund supports projects (between \$10,000 and \$300,000 for up to 3 years) that strengthen environmental partnerships, raise environmental awareness and encourage participation in environmental initiatives in the community. The timing of the next funding round has not yet been set.

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