

Ministry for Primary Industries
Manatū Ahu Matua



A guide to Erosion Control Funding Programme (East Coast) Community Projects

June 2017

Growing and Protecting New Zealand

Disclaimer

While every effort has been made to ensure the accuracy of the information contained in this publication, the Ministry for Primary Industries accepts no liability for any error or omission.

Copies of this publication can be requested from funding@mpi.govt.nz.

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ABOUT THE EROSION CONTROL FUNDING PROGRAMME COMMUNITY PROJECTS

This Guide provides key information about the Erosion Control Funding Programme (ECFP) community projects including eligibility criteria, and processes for application and assessment.

This Guide is for you if you are seeking funding for a project that will seek to address erosion issues in the Gisborne district. You might be a landowner, or part of a community group, organisation or business.

If you own eroding or erosion prone land in the Gisborne district and are seeking funding to treat this land through a forestry, indigenous reversion or pole (poplar/willow) treatment, please refer to MPI's other guide titled *Erosion Control Funding Programme (East Coast) – Guidelines for Land Treatments*, which can be found at www.mpi.govt.nz/ecfp.

Funding for ECFP community projects

The government is focused on helping regions to attract new investment and create jobs and grow skills with the Regional Growth Programme. Each region has its own natural resources, infrastructure and people and its own set of strengths and challenges, so each region has a plan developed by locals and led by locals which identifies opportunities for growing sustainable primary industries in their area.

In the Gisborne region the Regional Growth Programme is heavily focused on harnessing the natural and human resources for economic change.

MPI has a role to play in regional growth, as in the Gisborne region 20 percent of the population is employed in agriculture, forestry and fishing.

Protecting Gisborne's natural resources will contribute to the economic change. Through the Erosion Control Funding Programme, MPI is investing in protecting erosion prone land as the loss of productive land has a significant impact on the environment, and land owners' bottom lines.

Funding is available for initiatives that aspire to address erosion in the Gisborne district more broadly through ECFP community project grants. Taking a wider or more holistic view of erosion challenges and opportunities in the Gisborne district will lead to improved erosion control outcomes in the longer term.

ECFP community projects will often look beyond the individual property scale and may also have other environmental, social or economic benefits for the Gisborne district. Projects may link with the Regional Growth Programme and support the Tairāwhiti Action Plan.

Projects will seek to address particular issues or opportunities at any point on the erosion or forestry value chain in the Gisborne district. If you have an idea and would like to know if it is suitable for an ECFP Community Project, email funding@mpi.govt.nz for further guidance.

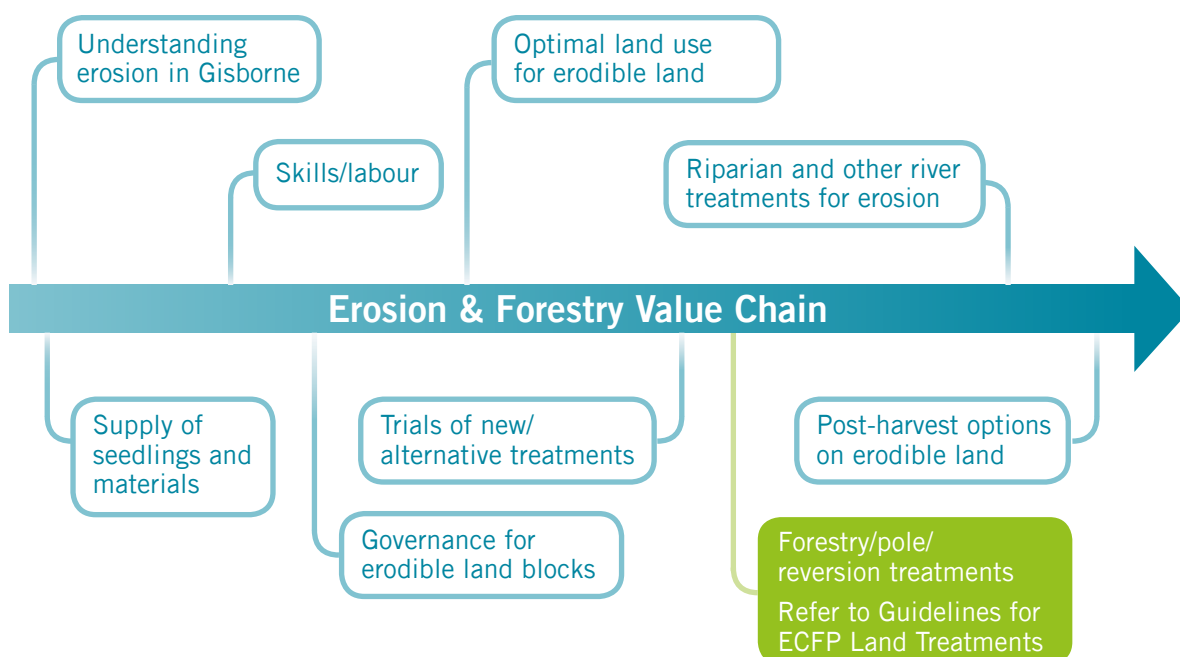
Erosion in the Gisborne district

The Gisborne district has a severe erosion issue. Twenty-six percent of the Gisborne district's land is susceptible to severe erosion, compared with only 8 percent of all land in New Zealand. Gisborne's annual rate of erosion is around 4800 tonnes per square kilometre. This is more than twice the rate of the West Coast, which has the next highest erosion rate by volume¹.

¹ Estimated long-term soil erosion www.stats.govt.nz/browse_for_stats/environment/environmental-reporting-series/environmental-indicators/home/land/long-term-soil-erosion.aspx

Severe erosion causes long-term damage to the productivity of rural land. It threatens communities and rural businesses, including farms and orchards, roads and bridges. It lowers water quality by contributing large amounts of sediment to river systems, and it harms the natural and cultural values of the land and the coastal environment.

It is estimated that 192 million tonnes of eroded soil enters New Zealand's waterways each year, of which 40 million tonnes is from the Gisborne region.



KEY

Blue = community project

Green = land treatment project

The Gisborne District is susceptible to regular high intensity weather events that cause soil erosion and downstream flooding. These weather events are likely to get heavier and/or more frequent, due to further climate change. For a mid-range global greenhouse gas emission scenario, a 1-in-100 year event now could become a 1-in-50 year event by the end of the century.²

About the ECFP land treatment grants

The objective of the ECFP is to reduce soil erosion in the Gisborne district and achieve

sustainable land management on the worst eroding and erosion-prone land in the district.

Funding from the Crown has been available to support landowners in the Gisborne district since 1992.

Under the ECFP land treatment grants, landowners can receive a government grant for treating erosion on their individual land blocks through planting trees or encouraging natural reversion to native bush. Refer to MPI's other *ECFP land treatments* guide for more information on this.

² NIWA Climate Change Projections for New Zealand http://www.niwa.co.nz/sites/default/files/import/attachments/IPCC_08_report_02s.pdf



FUNDING CYCLE FOR ECFP

COMMUNITY PROJECTS

MPI is available to support applicants throughout the process, and can link you with other people or organisations who are doing similar work or who might be able to help with your project.

Gisborne District Council can also provide guidance on specific treatments, including riparian planting, forestry, and poplar and willow pole planting.

The application, assessment and monitoring process is outlined below.

Step	Indicative timing	Applicants	MPI
Pre-application Pg 7	Any time	<ul style="list-style-type: none"> Enquire about the ECFP. 	<ul style="list-style-type: none"> Direct applicants to appropriate ECFP grant type Provide guidance to applicants
Application Pg 8	Accepted at any time of year	<ul style="list-style-type: none"> Submit a complete application with supporting information. 	<ul style="list-style-type: none"> Check application for completeness.
Assessment Pg 10	6 weeks following receipt of application	<ul style="list-style-type: none"> Provide further information if requested. 	<ul style="list-style-type: none"> Assess application against eligibility and assessment criteria. Seek advice from subject matter experts as required.
Decision Pg 12	6 weeks following receipt of application		<ul style="list-style-type: none"> Advise applicant of funding decision, including any particular conditions that must be met before Grant Agreement can be provided.
Contracting Pg 13	6 weeks following funding decision	<ul style="list-style-type: none"> Refine project as required. Seek legal advice and sign Grant Agreement. 	<ul style="list-style-type: none"> If successful send Grant Agreement for review.
Monitoring and Payment Pg 14	Throughout project duration	<ul style="list-style-type: none"> Complete agreed progress reports and milestones and provide evidence of completion. 	<ul style="list-style-type: none"> Review progress and milestone reports.
		<ul style="list-style-type: none"> Submit invoices. 	<ul style="list-style-type: none"> Approve invoices within agreed timeframes.
Project Completion Pg 15	As agreed in Grant Agreement	<ul style="list-style-type: none"> Complete end of project evaluation. 	<ul style="list-style-type: none"> Share outcomes of project, including tools and templates developed during the project.

PRE-APPLICATION

If you have a great idea for a project which will aim to improve erosion control outcomes in the Gisborne district, MPI would like to hear from you.

Before starting an application, contact MPI to discuss your idea and to check if it is suitable for an ECFP community project grant.

If your proposal fits with this fund, MPI can provide guidance on what is expected in an application, and answer any questions you have about the application or assessment processes. MPI can also explain how

successful projects will be managed and funding paid over the course of the project.

If necessary, MPI can redirect you to another more appropriate fund (including the ECFP land treatment grants).

MPI has team members in Gisborne, Ruatoria and Wellington to provide guidance and support. Contact MPI by email at funding@mpi.govt.nz or phone **0800 00 83 33** and ask to speak to the Erosion Control Funding Programme team.



APPLICATION

Who can apply?

Applications must be regionally driven and led. This means that the applicant must be from the Gisborne region, or at a minimum, be partnering with a local Gisborne-based person or organisation. This is to ensure that the project outcomes will directly benefit the Gisborne region first and foremost.

MPI will accept applications from the following:

- An individual or group of individuals (for example, landowners, farmers);
- A local organisation or business;
- A community group or trust;
- A local iwi;
- An entity established under the Local Government Act 2002, including a Territorial Authority.

If you don't fit into one of these groups, please contact us to check your eligibility. Note that while we will accept applications from these groups, if an application is successful a contract will need to be established with a legal entity (an individual, business, trust, incorporation, etc).

When can I apply?

Applications will be accepted at any time of the year. There are no specific funding rounds.

TIP: Contact us as you prepare your application so we can provide guidance and support – email funding@mpi.govt.nz or phone **0800 00 83 33**.

How do I apply?

Applications must be submitted on the form available on the MPI website:

www.mpi.govt.nz/ecfp

You will need to complete different sections of the application depending on the type and size of your project (i.e. how much ECFP funding you are requesting). Applicants requesting over \$250,000 of funding will need to provide additional information and detail in the application. The application form clearly marks which parts to complete.

You can provide additional information to support your application. A concise and informative application is preferred, that clearly demonstrates the intended outcomes of the project and how these will be achieved. A longer application is not necessarily more likely to be funded.

You can complete the application form by hand or on your computer, however, the form must be signed and dated by hand.

Once complete, submit your application by either:

Email to: funding@mpi.govt.nz

or

Post to: Erosion Control Funding Programme
Investment Programmes Team
Ministry for Primary Industries
PO Box 2526
Wellington 6140

TIP: Make sure you review the Application Checklist attached to the application form before you submit your application.

Eligibility criteria

Your proposed project must meet the following eligibility criteria:

- The project must support erosion control outcomes for the Gisborne district; and
- The project must begin by 30 June 2021.

Types of projects

Funding is available for full-scale projects as well as for feasibility studies or trial/pilot projects which may lead to a full-scale project at a later date. See page 4 for examples of projects that might be eligible.

ECFP community projects are not to be used to circumvent any aspects of ECFP land treatment grants, such as eligibility or assessment criteria, aspects of the contract (including the duration of the agreement, maintenance requirements, set grant rates, conditions, etc), or to cover additional costs such as materials and project management. ECFP community project proposals will not be accepted if MPI considers that an ECFP land treatment grant is more suitable. If this is the case, MPI will advise that an applicant should apply for a land treatment grant instead.

How much funding am I eligible for?

When you submit your proposal, you will request an amount of funding that is suitable for the work you plan to do. You will be required to provide a project budget with your

application, outlining your anticipated project expenses and stating any other sources of project income (e.g. co-funding from local organisations).

Part of the assessment process will be for MPI, alongside subject matter experts as required, to determine whether your budget is realistic and appropriate for the proposed project.

While co-funding is not a requirement for all projects, this often demonstrates that the proposal has local buy-in and support, and is therefore looked upon favourably.

Capital expenditure cannot be funded

ECFP funding cannot be used for capital expenditure, which is defined as:

Money spent to acquire or upgrade productive assets such as building or equipment in order to increase capacity or efficiency of a business for more than one accounting period.

Projects can include capital expenditure but this must be funded from other funding sources, for example, co-funding from local organisations or other investors.

Note that under the ECFP, the purchase, planting and maintenance of trees and other vegetation is not considered capital expenditure, and is eligible for funding if other eligibility and assessment criteria are met.



ASSESSMENT

Assessment Criteria

Criteria	What we want to see
Benefit to the Gisborne region	<ul style="list-style-type: none"> • Clear benefits for erosion control and/or forestry value chain in Gisborne district. • Main beneficiaries are Gisborne district and its inhabitants. • Other environmental/economic/social benefits to the region. • Long-term benefits.
Significance of problem or opportunity	<ul style="list-style-type: none"> • The project will address a critical or strategic issue/opportunity that will be beneficial to the region or local community or a local industry. • Links to other regional plans or initiatives (if applicable).
Project management	<ul style="list-style-type: none"> • A well thought-out project plan with achievable timeframes, a realistic budget and clear success measures. • A project team with appropriate project management skills, or identification of a potential partner provider with the appropriate skills, or a clear plan to develop capability. • Appropriate technical (e.g. erosion/forestry/education, etc) expertise as required, either within the project team or through identified consultants or subcontractors. • Consideration of potential risks to the proposed project and mitigations proposed. • Suitability of project size/scale – full-scale project vs feasibility study or pilot project.
Community involvement	<ul style="list-style-type: none"> • Consideration of impacts on the wider community. Note ‘community’ will vary for each project but may include the landowners, local community, project benefactors, wider region, iwi, local business, etc. • Representation on project team of the community it will benefit. • Community engagement at appropriate steps.
Value for money	<ul style="list-style-type: none"> • Budgets are appropriate for the work proposed. • An appropriate level of ECFP investment for the outcomes (economic, social or environmental). • Additional community investment (non-government cash and in-kind co-funding support) if appropriate.
Capability building and extension	<ul style="list-style-type: none"> • Outcomes will include creation of new skills, opportunities, technologies or information that are not already available in the region. • Results/learnings will be shared across the appropriate networks to enable further benefits across the region.

The following attributes will enhance applications but are not required:

- Initiatives that seek to address the source or root cause of erosion issues over mitigating the subsequent effects.
- Initiatives that support high priority actions from regional economic action plans (or other similar regional documents) or that contribute to the Government’s Regional Growth Programme objectives.

Assessment process

1. Initial assessment

- Applications are checked for completeness and against general eligibility criteria.
- MPI Investment Advisers will provide feedback and suggest improvements where required.

2. Review by subject matter expert

- MPI will ask subject matter experts to review and provide comments on the proposal where necessary. Experts will be selected according to their knowledge about the project topic and may include MPI staff or external experts (such as Gisborne District Council staff, local iwi, or specialists in the fields of erosion, riparian planting, forestry, mānuka, horticulture, education and capability building, business acumen and others as appropriate).
- On the application form declaration, you will need to consent to us sharing the proposal with subject matter experts for the purpose of the assessment.

3. Assessment

- Applications requesting under \$250,000 of ECFP funding will be assessed against the assessment criteria by MPI before proceeding straight to the Decision phase.
- Applications requesting over \$250,000 of ECFP funding will be assessed against the assessment criteria by a panel consisting of staff from MPI, Ministry for the Environment and Ministry of Business, Innovation and Employment.
- Initial assessments and subject matter expert comments will inform the assessments and recommendations as to whether the project should be funded or not.

4. Decision

- A funding recommendation will be made.
- MPI will make the final decision on whether the project will be funded, taking into account the recommendations of the panel and the availability of funding.



DECISION

Successful applications

Successful applicants will be advised of the amount of funding that has been approved and any conditions or requirements that must be met before the funding is made available. Additional requirements will be determined by MPI and may include:

- Other sources of funding – co-funding from other individuals, organisations or businesses;
- A steering group to be formed and/or an independent project chair;
- Additional project management experience on the project team or through a contracted project manager;
- Stop/Go points – critical points during the project at which MPI and the grantee will assess progress and can agree to discontinue the project if key activities have not been completed according to plan;
- Regular evaluation points throughout the project and/or beyond the project completion.

Unsuccessful applications

MPI reserves the right to decline any application at its discretion.

Unsuccessful applicants will be notified and informed of the reason(s) why the application has been declined. MPI will ensure that applicants have the opportunity to discuss this outcome and any feedback.

Unsuccessful applicants are able to revise their proposal, taking into account the MPI feedback given, and resubmit another application for further consideration.



CONTRACTING

Grant Agreement

Successful applicants must enter into a Grant Agreement for the duration of the project. The Grant Agreement is a contract between MPI and the grantee and covers the terms and conditions of the funding, as well as the deliverables of the project.

MPI will send a draft of the Grant Agreement for you to review and sign.

TIP: It's strongly recommended that you seek independent legal advice before you sign a contract.

Key terms of the Grant Agreement

- The agreement must be with a legal entity (e.g. an individual, an organisation, a trust or incorporation).
- The term of the agreement is for an agreed number of years from the start date of the project, subject to any STOP/GO points.
- Funding will be paid on completion of each piece of scheduled work. Milestones will outline the project deliverables and their due dates. As deliverables are completed, the grantee can submit a progress report and claim payment for the work completed. MPI will pay the funding when satisfied that the deliverables have been completed to the required standard.
- Milestones must be completed and reports received by MPI by the due date listed in the agreement, unless an extension has been approved in writing.
- The agreement may be varied from time to time as agreed in writing.
- MPI will require an unfettered licence to any Intellectual Property developed, discovered or created during the project.
- You must provide written evidence that you have permission from landowners to carry out work on their land, and in some cases (for example, when trees are planted using ECFP funding) confirmation that they agree to maintain the outcomes for a minimum period.



MONITORING AND PAYMENT

Progress and milestone reports

As you complete the activities of the project, you will submit reports to MPI confirming the work that has been completed and the deliverables or outcomes achieved. At this time, you will also submit an invoice for an amount corresponding to the work completed.

MPI will guide you through this process and explain what is expected.

Knowledge sharing and extension

MPI will encourage you to share your knowledge and experience with others so there are greater benefits for the region. Depending on the type of project, you might like to consider holding discussion groups, hosting field days or site visits, or using traditional (e.g. newspaper) or social (e.g. Facebook, Twitter) media to spread the word.

TIP: Extension activities can be covered under the grant – you need to think about these upfront and include these in your proposal and budget.

Income tax

Grant payments are treated as grants to businesses under section DF1 of the Income Tax Act 2004. The grant is made by the Government under a contract at an approved value and is not a reimbursement of costs. Other spending relevant to grant operations should be accounted for under normal accounting procedures in the year incurred.

Goods and Services Tax (GST)

All grant applications are calculated on a GST-exclusive basis. GST is added to the grant payment and must be accounted for in the usual way.



PROJECT COMPLETION

As part of your final project milestone, you will complete a project evaluation to review how the project went and what the final outcomes were. A template will be provided.

The evaluation may cover questions such as the following:

- What were the original objectives of the project and were these achieved?
- What have you learnt from the project?
- What would you do differently?
- Was the budget suitable for the project? Was the project delivered within budget?
- Did you find it easy/difficult to access the right skills or expertise needed for the project?
- What erosion benefits have been achieved through this project? What other social/ environmental/economic outcomes were achieved?
- What skills or knowledge has the project developed (for the project team, for the community, for the wider region)?
- Did MPI provide adequate support and guidance throughout the project? What could MPI do better?







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New Zealand Government