



Grant Funding for Community Irrigation Schemes or Strategic Water Management Studies

Applicant Guidelines

July 2016

1. About this document

The Applicant Guidelines provide information about grant funding delivered by MPI for the development of Community Irrigation Schemes or Strategic Water Management Studies. It will assist scheme promoters through the process of applying for grant funding for irrigation schemes and studies which will contribute to sustainable economic growth throughout New Zealand.

Intended audience

This guide is aimed at applicants who are seeking funding support from MPI for either a Community Irrigation Scheme or a Strategic Water Management Study. If you are applying as a Regional Scheme, please contact Crown Irrigation Investments Limited (CIIL) at info@crowrirrigation.co.nz

Support

MPI staff will work with you when developing your Application. If you have questions or need support, email iaf@mpi.govt.nz

2. Overview of the funding scheme

Funding from the Ministry for Primary Industries supports the potential for irrigated agriculture to contribute to sustainable economic growth throughout New Zealand. The current total Budget allocated is \$25 million to 2021 to support the development of irrigation infrastructure proposals to the “third party investment-ready” stage. Of this Budget allocation, Crown Irrigation Investments Limited (CIIL) delivers \$22.5m to Regional Irrigation Schemes and MPI delivers \$2.5m to Community Irrigation Schemes and Strategic Water Management Studies.

To be eligible for funding from MPI, proposals need to fit within one of the following areas:

- Community Irrigation Schemes
- Strategic Water Management Studies

Background

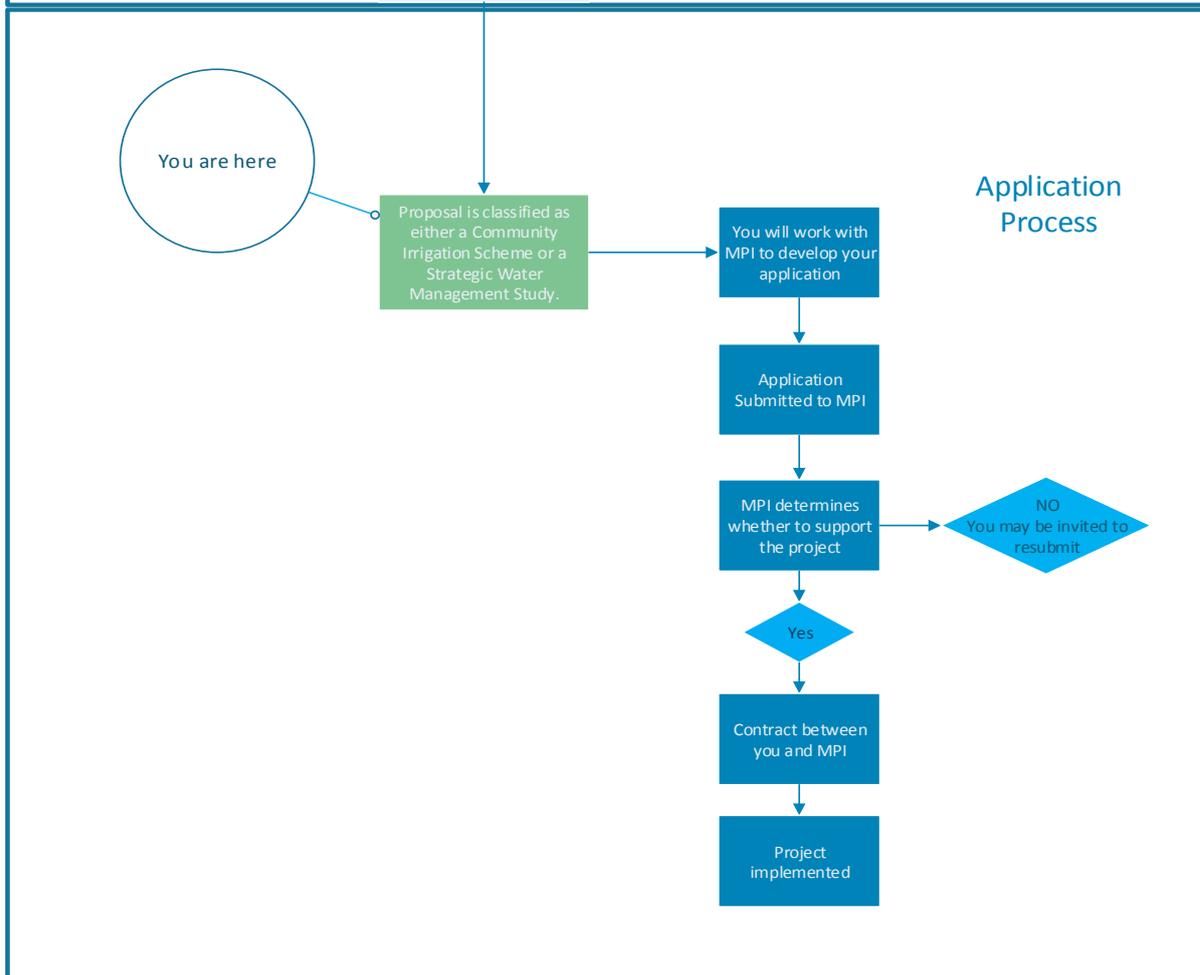
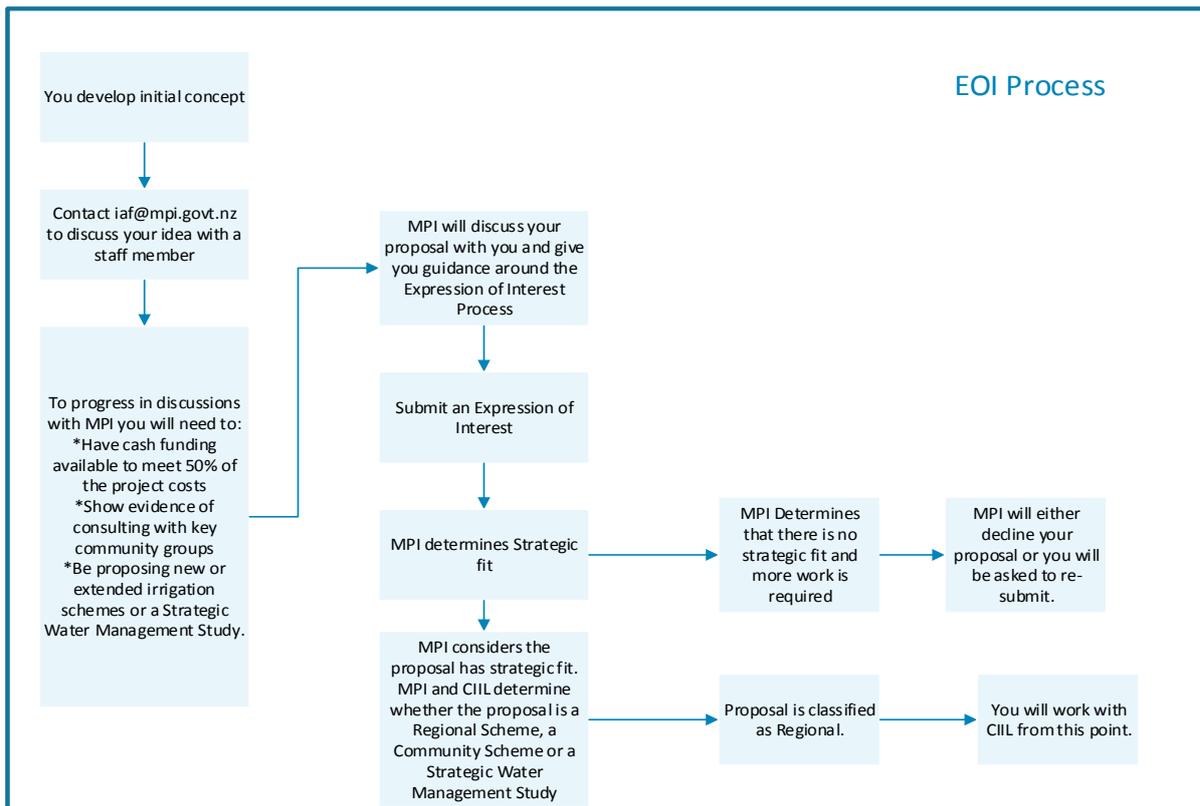
The Government announced an initial policy response to the Land and Water Forum's final report presented in April 2011. This initial policy package included three component parts:

- The National Policy Statement on Fresh Water Management to set a consistent, nationwide regulatory framework for setting water quantity and quality limits to govern the allocation and use of freshwater.
- The Fresh Start for Fresh Water Clean Up Fund to assist councils with historic pollution problems with reprioritised funding of \$15 million over two years, and a total clean-up programme commitment of \$264.8 million.
- The Irrigation Acceleration Fund to support the development of irrigation infrastructure proposals to the “investment-ready” prospectus stage.

The National Policy Statement for Freshwater Management (NPS) requires that regional councils implement catchment based limits for both water quality and quantity. The establishment of these limits will be an important factor in scheme development and implementation.

The NPS also requires regional councils to provide for the integrated management of the effects on freshwater of the use and development of land. This includes encouraging the co-ordination and sequencing of regional growth, land use and development, and the provision of infrastructure.

3. How to Apply



4. Applying for grant funding

You can apply for grant funding support from MPI for:

- **Strategic Water Management Studies** – assisting with the development of regional or multiple-catchment approaches to integrated water management, particularly the potential of rural irrigation-related infrastructure and improved water management in the rural sector, to contribute to the sustainable use and management of water for future generations.
- **Community Irrigation Schemes** – assisting with both new smaller-scale community scheme development and for capital upgrades of existing community scheme infrastructure, subject to these schemes being consistent with broader regional strategies.

MPI staff can assist with:

- Providing information on dates, deadlines and meetings
- Providing information on the requirements and processes for completing and submitting concepts and comprehensive proposals
- Co-ordinating progress reporting throughout the life of the programme
- Ensuring the funding aligns with other policy initiatives
- Facilitating proposals through the assessment process

5. Eligibility

There is no specific limitation on who may apply, but you need to meet the criteria outlined in Appendix 1 to be considered for funding. The Crown will require a strong counter party that has the ability to contract in its own name. This counter party will lead, and be accountable for, the delivery of agreed work programmes.

You must also demonstrate:

- A single point of contact
- A clearly identifiable contracting party
- A clear legal status
- Fit with regionally agreed approaches to the sustainable use and management of water
- Robust and active collaborative community engagement
- Commitment to Good Industry Management Practice
- Direct and indirect net economic benefits to New Zealand
- Environmental, social, recreational and cultural co-benefits
- An ability to deliver on the proposed programme of work
- Qualifying contributions equal to or greater than Crown grant funding sought.

6. Funding support

The maximum amount of funding MPI can invest is up to 50 percent of the cost of the programme.

Funding support for your programme will be for up to 5 years.

There is no minimum size for grants.

7. Assessing the application

MPI will assess the application based on the criteria referred to in section 5. You will be advised of the outcome of your application by MPI staff via email as soon as is practicable after the decision has been made.

If your application is declined you may be invited to re-submit your proposal. If this happens, MPI will provide guidance as to the additional information or changes that are required and will work with you to agree a clear timeframe for the additional information to be provided.

8. Contracts and agreements

Contracts will be drawn up where MPI funding support is approved. The contract will detail the obligations each has for:

- Cash contributions
- Reporting requirements
- Procuring providers
- Establishing appropriate governance requirements
- Outlining a detailed work plan including milestones and critical stop/go decision points
- Establishing who will manage the contract on your behalf

9. Glossary

Term	Definition
Collaboration	Genuine two-way engagement with the wider community when looking to develop proposals. Where possible, you should look to interest groups for active participation and innovation in formulating solutions and incorporate the outcomes of active participation where practicable.
Community Irrigation Scheme	A water supply system that is initiated, developed and used by multiple members of a rural community, primarily for irrigation
Good Industry Management Practice	An umbrella term to describe industry-led programmes promoting practice changes to improve industry performance against water related objectives
Investment Ready	The point at which project finance and investment sufficient to undertake construction have been secured.
Qualifying Contributions	Contributions made by applicants that qualify for MPI co-funding.
Strategic Water Management Study	A study that will assist with the development of regional approaches to integrated water management, particularly the potential of rural irrigation-related infrastructure and improved water management in the rural sector.

Appendix 1 – What can and cannot be funded

Community Irrigation Scheme Development

Grants can be used for:

- Pre-feasibility study
 - Securing feasibility funding
 - Supply investigations
 - Preliminary demand calculation
 - Preliminary design options
 - Preliminary economic impact assessment (on farm, off farm, community)
 - Preliminary cultural and environmental analysis
 - Preliminary assessment of community farmer support
 - Costing of full feasibility study
 - Facilitating collaboration with interest groups
 - Project management costs.
- Feasibility study
 - Hydrological investigations
 - Agricultural economics and affordability assessments
 - Cost benefit analysis and economic assessment
 - Assessment of environmental, social and cultural effects
 - Finalise design options
 - Securing consent funding
 - Facilitating collaboration with interest groups
 - Project management costs.
- Generating investor and community support
 - Facilitating farmer information requirements to assist investment and uptake decisions
 - Investigating funding arrangements
 - Investigating financial feasibility
 - Developing governance structure
 - Facilitating investor involvement (showing the benefits and costs)
 - Promotional and communication activities
 - Development of final prospectus
 - Facilitating collaboration with interest groups
 - Project management costs
 - Establishing systems to meet consent condition requirements.
- Technical services
 - Site investigations (geo-technical surveys)
 - Advice and supporting material for statutory consent processes (but not for participation in resource consent hearing processes).
- Design services
 - Preliminary design
 - Refinement of a preliminary design
 - Evaluation of alternatives
 - Progress, cost and quality planning including whole of life cost modelling
 - Design development
 - Preparation of schedule of quantities

- Draft operation and maintenance manuals
- Testing procedures and commissioning plans
- Risk analysis and management plan including a health and safety plan
- Peer review
- Preparation of tender and contract documents for construction
- Calling and evaluating of tenders
- Assisting in negotiations with construction contractor
- Facilitating collaboration with interest groups
- Project management costs.

Grants cannot be used for:

- Capital expenditure or the physical construction of schemes
- Administration of construction contract
- Assisting with in-kind (non-cash) costs
- Participation in statutory processes (e.g. resource consent applications) or litigation
- Ongoing operation of consent conditions
- Local or central government fees or charges.

Community Irrigation Scheme Upgrades and/or Expansion

Grants can be used for:

- Generating investor and community support:
 - Facilitating farmer requirements and uptake
 - Investigating funding arrangements
 - Facilitating farmer investment (showing the benefits and costs)
 - Promotional and communication activities
 - Investigating possibilities for the multiple uses of water
 - Development of final prospectus
 - Facilitating collaboration with interest groups
 - Project management costs.
- Technical services
 - Site investigations (geo-technical surveys)
 - Advice and supporting material for statutory consent processes (but not for participation in resource consent hearing processes).
- Design services
 - Preliminary design
 - Refinement of a preliminary design
 - Evaluation of alternatives
 - Progress, cost and quality planning including whole of life cost modelling
 - Design development
 - Preparation of schedule of quantities
 - Draft operation and maintenance manuals
 - Testing procedures and commissioning plans
 - Risk analysis and management plan including a health and safety plan
 - Peer review
 - Preparation of tender and contract documents for construction
 - Calling and evaluating of tenders
 - Assisting in negotiations with construction contractor
 - Facilitating collaboration with interest groups
 - Project management costs.

Grants cannot be used for:

- Capital expenditure or the physical construction of schemes
- Administration of construction contract
- Assisting with in-kind (non-cash) costs
- Participation in statutory processes (e.g. resource consent applications) or litigation
- Local or central government fees or charges
- Ongoing operation of consent conditions.

Strategic Water Management Studies

Grants can be used for:

- Technical reports
- Water resource assessments in the form of the nature of the resource and available water such as:
 - Water resource and allocation assessments
 - Water demand reports
 - Environmental flow reports for the management of rivers, e.g. flow investigation reports (flow and/or landscape related).
- Environmental impact reports
- Economic impact reports
- Social impact reports related to the primary sector
- Development of evaluation criteria
- Writing a strategy
- Consultation with experts, stakeholders and public
- Providing information for communities and determining community preferences on the options
- Promotional and communication activities
- Facilitating collaboration with interest groups
- Project management costs.

Grants cannot be used for:

- Funding infrastructure (e.g. irrigation schemes, hydrological monitoring sites etc.)
- Feasibility studies for individual schemes
- Costs associated with legal action or opinion (e.g. expenses incurred in environment court)
- Processes associated with incorporation of a water strategy into regional or district plans.