



Primary Growth Partnership (PGP)

Guidelines for Co-investors

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1. Overview

1.1. Glossary

Term	Definition
Associated parties	Other industry firms and organisations that are part of the industry initiative but are not co-investors in the PGP programme, usually involved in associated programmes.
Associated programmes	Components of an industry initiative that are not part of the PGP programme.
Business Case	<p>The business case tells a persuasive story detailing the problem or opportunity being pursued; it outlines the programme's strategic direction and provides compelling reasons for Crown investment.</p> <p>It also describes how the programme will be implemented, providing a full description of the work programme, with milestones, KPIs and clearly identified go/no-go decision points.</p> <p>An outcome logic model is also required to be included, to support programme evaluation over time.</p> <p>If funding is approved the business case forms the basis of the contract between MPI and the co-investors.</p>
Business Case Development Group (BCDG)	The group is responsible for developing the business case, and up until it is approved. It comprises representatives from the co-investors and the Crown.
Co-investor	An industry firm or other organisation that is contributing cash or approved in-kind to the funding of a PGP programme.
Industry initiative	An investment initiative by industry which comprises a PGP programme and associated programmes (outside of PGP).
Programme	The suite of complementary and mutually supporting projects targeted at a range of points along the value chain (which may include education and skills development, research and development, product development, commercialisation, market development and technology transfer) and will be aligned with, but additional to, existing initiatives and work programmes – that is, beyond business as usual..
Programme Steering Group (PSG)	The group responsible for the governance of a PGP programme on behalf of MPI and the co-investors, once the programme commences. It comprises representatives from the co-investors and the Crown and may include representatives from associated parties and/or an independent Chair and/or observers.
Project	A discrete piece of work to be carried out as part of the PGP programme which contributes to the achievement of programme outcomes.
Proposal	A description of a PGP programme put forward by a co-investor or group of co-investors for assessment by the Investment Advisory Panel, which decides whether the proposal should be developed by a Business Case Development Group into a business case.
Qualifying contributions	Contributions (cash or in-kind) made by co-investors that qualify to be matched by PGP funding.

1.2. The Primary Growth Partnership

Purpose of the Primary Growth Partnership

The purpose of the Primary Growth Partnership (PGP) is to benefit New Zealand through investment in innovation programmes that will produce substantial gains in economic growth and sustainability in the primary industries

Co-investment

Each programme will be a joint investment between the Crown and industry. Qualifying contributions by the industry co-investors must be a minimum of sixty percent of the total investment.

Scope

To be within the scope of PGP, programmes must relate to one or more of the following New Zealand primary and food sectors:

- pastoral (including wool) and arable production;
- horticulture;
- seafood (including aquaculture);
- forestry and wood products;
- food processing (including nutraceuticals and bio-actives).

PGP investment may occur across the whole value chain, including education and skills development, research and development, product development, commercialisation, commercial development, and technology transfer. Where a programme only directly covers a part of a value chain, the programme must be able to describe its impact on the entire value chain.

Who can access Primary Growth Partnership Funding?

PGP is a government-industry initiative. Almost any type of entity can apply for PGP co-investment, including firms, industry bodies, and private research organisations, or individuals.

For an entity's contributions to qualify, it must demonstrate that its contributions are not made from Crown or rate-payer monies provided directly to that entity in the relevant financial year. The principle being that Crown or rate payer money cannot be used to match PGP funding.

All PGP programmes are subject to assessment against criteria to determine if funding will be provided, regardless of who they are submitted by.

1.3. Funding

Minimum funding levels

The minimum amount that industry co-investors must contribute is \$500,000 (GST exclusive) over the life of the programme. This means that the total value of a programme must at least be \$ 833,333 over the life of the programme (i.e. a minimum of \$500,000 from the industry and \$333,333 from the Crown).

Maximum funding levels

There is no maximum PGP programme size. The maximum amount that PGP can potentially co-invest is constrained by the total amount of PGP funding available.

The total amount available at any time is determined by:

- the total amount of money made available by the Crown; and
- the amount of PGP funding committed to other programmes.

1.4. Key parties

There are several parties you will have to work with during the process to seek funding for and establish a PGP programme.

PGP Directorate

The PGP Directorate within MPI administers the PGP, manages the Crown's investment and works with the Investment Advisory Panel. The PGP Directorate should be your first point of contact for any questions or help you need with PGP at any stage of the process. The PGP team can be contacted at pgp@mpi.govt.nz.

Investment Advisory Panel

To help ensure that PGP investments are most likely to achieve the aims of substantial gains in economic growth and sustainability, an independent Investment Advisory Panel (the Panel) has been appointed. The Panel is responsible for using its expertise and judgement to assess the proposals and business cases and make recommendations to the MPI Director-General.

The Panel also has an on-going monitoring role for programmes and will receive and consider reports provided by programmes.

Limitation of advice

All advice given by any of these parties about the content of your proposal or business case does not commit MPI to making a decision about your proposal or business case. Your proposal and business case will be fully assessed by the Panel and MPI in accordance with PGP procedures.

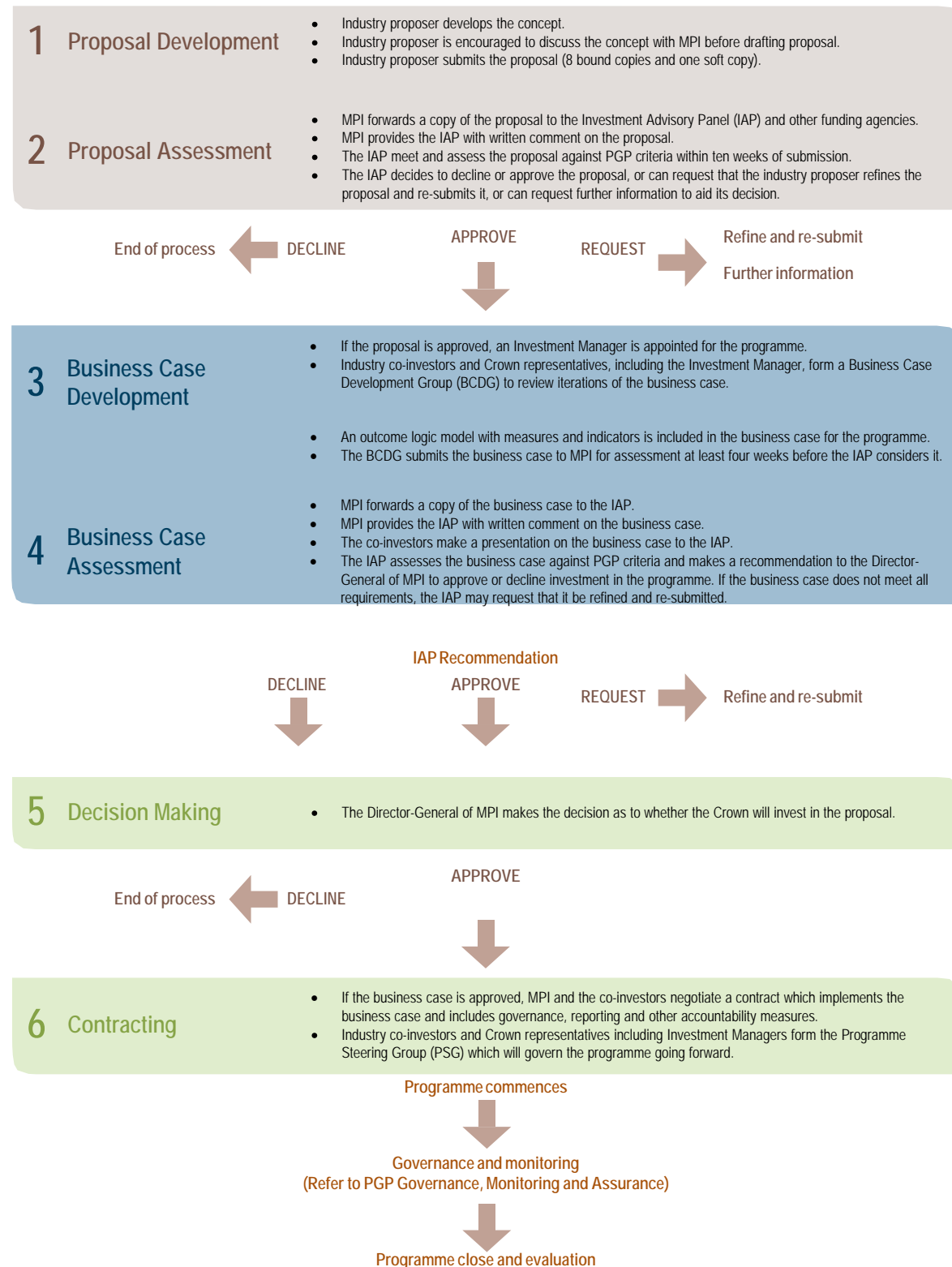
This limitation includes members of the Panel; the Panel's decisions and advice are made by the Panel in its formal sessions and any views expressed by individual members of the Panel outside of these do not commit the Panel to make any decision.

1.5. The PGP Process – Overview

There are six main steps in the process leading to the establishment of a PGP programme. These are illustrated in the diagram below:

Primary Growth Partnership application process

Ministry for Primary Industries
Manatū Ahu Matua



Withdrawing from the Process

At any stage after you first submit your proposal, you can choose to withdraw from the process. Contact the PGP Directorate and let them know your intent. Any funds held for you will be released for other proposals.

2. PGP Eligibility Rules and Assessment Criteria

2.1. Eligibility Rules

The following eligibility rules apply to all programmes:

1. **PGP sector focus.** The focus of the programme must be on activities in one or more PGP sectors:

- pastoral (including wool) and arable;
- horticulture;
- seafood (including aquaculture);
- forestry and wood processing;
- food processing (including nutraceuticals and bio-actives).

Guidance: Proposals which are not directly about the activities of the sectors (e.g. tourism and mining) are not eligible.

2. **A coherent programme.** A programme must comprise a suite of complementary and mutually supporting projects.
3. **Maximum duration.** PGP funding of a programme will be for a maximum of seven years, subject to any subsequent agreed contract variations which may in certain circumstances amend the duration of the programme.
4. **Minimum size.** The minimum amount that industry co-investors must contribute is \$500,000 (GST exclusive) over the life of the programme. This means that the total value of a programme must at least be \$ 833,333 over the life of the programme.
Guidance: Co-investment may include qualifying co-investor in-kind contributions.
5. **Co-funding.** Qualifying co-investor contributions must be at least be sixty percent of the total investment in the programme.

Guidance: In-kind contributions from co-investors that may be included as part of the investment to be matched by PGP funding can potentially include use of plant and equipment, raw materials, inputs and skills/labour. Programme Steering Group and related governance costs cannot be included as contributions. Staff time will be valued at pro-rata direct salary costs (as long as these reflect reasonable market rates), including leave entitlements etc and ACC levies. Reasonable overhead costs may be included. The in-kind contribution of raw materials and plant and equipment use will be valued at the lower of opportunity cost to the co-investor owner and market value.

Contributions, whether cash or in-kind, that are funded from government sources cannot be included as part of the investment to be matched by PGP funding. This includes funding received directly or indirectly through grants, investment programmes, or other government assistance.

In-kind contributions are accepted by agreement.

6. **Additionality.** To qualify for Crown co-investment through PGP, co-investors' activities must be in addition to existing work programmes (that is, be beyond the co-investors' "business-as-usual").

Guidance: The proposed co-investment activities must be in addition to existing initiatives and work programmes, and the associated investment (cash and in-kind) must be additional to what would otherwise have been spent on research and innovation. To be additional, the proposed activities must also be unlikely to be undertaken by others in the near future (industry and private sector, public sector or community/voluntary sector). An environmental scan of work being undertaken within New Zealand and intern

Research and innovation activity is not "additional" if it is already planned but may count as additional if the co-investor can provide satisfactory evidence that PGP funding will bring forward the activity by a minimum of 12 months. Alternatively, additionality can be demonstrated if the programme delivers overall outcomes at a significantly quicker pace than business as usual activity would. Innovation includes the introduction of new methods of production and harvesting, new goods, new qualities of existing goods, development of a new market and development of new raw materials or ingredients derived from the primary sector. It may occur at any point along the value chain.

Additionality can be a difficult criterion to establish. Co-investors are expected to provide convincing evidence of additionality. Part of this evidence will be describing what would have occurred in the absence of PGP investment i.e. describing the counterfactual situation in which the proposed programme of work would be undertaken by the co-investor without PGP investment. The acceptance of any activity or funding as additional is at the discretion of the Panel at the proposal stage and of MPI, taking into account the Panel's recommendation, at the business case assessment/approval stage.

7. **Consistency with New Zealand's international obligations and government trade policy.** PGP programmes must be consistent with New Zealand's international obligations and trade policies.

Guidance: New Zealand has obligations under the WTO and our Free Trade Agreements which may be relevant to proposals for government support under PGP. For example, granting some forms of support is prohibited outright, such as subsidies that are contingent on export performance.

Consistency with New Zealand's international obligations and government trade policy will be assessed by MPI, in consultation with the Ministry of Foreign Affairs and Trade and other government agencies as appropriate.

Reputation of New Zealand

In addition to the above eligibility rules, MPI reserves the right to decline any proposed investment programme which it regards as likely to be detrimental to New Zealand's reputation.

2.2. Assessment Criteria

Proposals and business cases that meet the eligibility rules will be assessed on their potential to contribute to PGP's goal of substantial gains in economic growth and sustainability on the following criteria.

Direct and indirect net economic benefits to New Zealand

Assuming the programme is successfully implemented, it will result in direct and indirect net economic benefits to New Zealand

Guidance:

Proposals should clearly articulate the net economic benefits, how they are expected to occur and who will benefit.

Estimates of the magnitude of net benefits should be credible, with all key assumptions specified.

Benefits should identify both the Gross Output and GDP impact of the programme, using a cost benefit analysis approach with an 8% (real) discount rate. Multipliers should not be used to calculate benefits. Further guidance can be found in the 2014 report, *Economic contribution of PGP, a cost-benefit analysis of potential impacts*. The report is available at: <http://mpi.govt.nz/document-vault/4622>

Spillover benefits

Assuming the programme is successfully implemented, there will be clearly identifiable spillover benefits to New Zealand.

Guidance:

Any spillovers cited should be clearly identified, with a credible explanation of how they will come about and with a clear timeframe. The magnitude of any spillover benefits should also be credible.

Sustainability benefits

Assuming the programme is successfully implemented, it will maintain or improve net sustainability for New Zealand.

Guidance:

Sustainable development has been defined as "that which meets the needs of the present without compromising the ability of future generations to meet their own needs" (World Commission on Environment and Development 1987).

Sustainability benefits include economic, social, environmental and cultural.

If a proposal does involve negative sustainability impacts, it must clearly demonstrate how those impacts will be mitigated (e.g. mitigation of any negative impact on water quality).

Likelihood of success

The intended outcome(s) from the programme are likely to be achieved.

Guidance:

The proposal should provide sufficient evidence on which to base an assessment of the riskiness of the investment. This should include the identification of key risks and possible strategies to mitigate these risks.

Fit with strategic direction of the sector

The programme fits well with the overall strategic direction of the sector.

Guidance:

The proposal should demonstrate how the programme fits with the overall strategic direction of the sector and existing activities already occurring within it.

In most cases this should be possible by reference to an agreed sector strategy document. Where it is not, the proposal should draw on alternative sources of information, such as published sector analyses, sales trends and information on emerging demands, etc, to demonstrate how the programme relates to relevant trends in the sector.

Generally good quality programmes will fit well with, and build on, the existing strategic direction of the sector. On occasion however, a programme, by virtue of being highly innovative, may represent a significant divergence from current strategic directions. In this case a “poor” fit with the sector’s strategic direction may not be disadvantageous.

Path to market

The programme demonstrates a consideration of all steps on the value chain up to and including commercialisation and describes where changes will need to be made along the value chain for the outcome to be achieved.

Guidance:

The programme should demonstrate:

- that the co-investors have a clear understanding of the changes needed along the value chain for the outcome to be achieved;
- that any barriers to success at points along the value chain are identified and addressed appropriately;
- an understanding of the commercial opportunities;
- that appropriate and realistic timeframes have been used.

The programme does not need to involve changes at each step of the value chain but

consideration should have been given to all steps.

It should be clear that the programme is clearly targeting a commercial outcome and is not simply assuming that a commercial outcome will follow i.e. programmes must be based on market pull and not production push.

The value chain includes but is not limited to:

- education and skills development;
- research and development;
- product development;
- production;
- logistics (including packaging, storing, transportation, distribution);
- commercial development;
- technology transfer.

Consideration of barriers should assume current government policy remains; and may include technical, logistical, commercial, access to skills or other inputs, IP-related or other barriers.

Ability to deliver

The co-investors have the ability to deliver on the programme.

Guidance:

The co-investors must demonstrate they:

- are financially secure;
- have the capability to carry through their parts of the programme;
- have the capability to manage and conduct components of the PGP programme for which they will be primarily responsible.

At business case stage, this will include demonstrating that co-investors have:

- appropriate management capability (appropriate skills and experience in the management team(s));
- appropriate corporate and programme governance structures (to ensure monitoring and management of performance; and efficient and effective decision making);
- sufficient financial resources to fund both their ongoing costs and their programme costs, as well as to follow through on the programme when it is completed (both retained; earnings/profits or capability to access through increased equity, credit facilities, etc);
- adequate human resources (staffing levels, skills and education, project managers, etc);
- adequate physical resources (plant, equipment, materials, inputs, etc).

Retention of benefits

The benefits resulting from the programme are likely to be retained in New Zealand.

Guidance:

This is about assessing the risk that the benefits that are generated by PGP investment will fail to flow into, or to be retained by, New Zealand's economy. Programmes should consider both the nature of the benefits and the factors holding those to New Zealand.

Possible retention factors include:

- ownership (where head-quartered);
- source of funds (listed with the New Zealand stock exchange or from New Zealand owners as compared with off-shore owners);
- point of difference or unique value proposition (e.g. is tied to New Zealand image, reputation, or natural resources; or is tied to skills and specialties contained within the co-investors);
- sources of raw material (e.g. natural resources produced in New Zealand);
- assets, set-up, plant, equipment (e.g. large processing factories are harder to shift than an office space);
- firm's history (how long they have been established in New Zealand);
- access to specialist skills, facilities, support only available in New Zealand.

The type of benefits must also be considered. For example:

- Increased expenditure on wages, suppliers, plant/assets are less movable if the jobs created and suppliers themselves are relatively immobile.
- Increased profits – where do they flow, where are they retained?
- Royalties/benefits from implementing IP are highly portable, and if generated by a firm with few anchors might not be retained, or even used, in the New Zealand sector.

Programme costings and contributions to costs

The programme costings and contributions are adequately specified, realistic and appropriate.

Guidance:

Programme costs and the proposed split between industry and PGP contributions should be clearly set out in the tables provided.

Programme costs must be realistic and commercially appropriate. They should be within appropriate margins of common expectations for those costs, or the reason for any variance should be clearly explained.

The basis for estimating costs (rates, assumptions, etc) should be specified.

3. Proposal – Development

3.1. Initial engagement

PGP proposals may be submitted at any time once contact has been made with the PGP Directorate within MPI and an initial discussion is held around the potential PGP programme.

3.2. Forming a Co-investor Group

A co-investor group can be a single eligible entity or it may comprise several eligible entities that come together for the purpose of the PGP programme.

Once you have formed a co-investor group, you need to:

- develop your concept;
- agree how you will work together;
- agree how each member is to be involved and what contributions each will make;
- make sure your proposal meets the rules and covers the assessment criteria for PGP (see section 2 for all eligibility rules and assessment criteria).

3.3. Preparing the Proposal

Once your co-investor group has decided that it wants to seek PGP funding, you will need to develop a proposal. The information you need to provide is set out in the *Primary Growth Partnership Proposal Form*, available at <http://www.mpi.govt.nz/funding-and-programmes/primary-growth-partnership/how-to-apply/>. This documentation must be completed in order to submit a proposal. When completing your proposal, take into account the PGP eligibility rules and assessment criteria (see Section 2). Proposals are “owned” by co-investors.

Contacting MPI

For detailed advice or support on your proposal or the PGP process, direct your queries to the PGP team within MPI at pgp@mpi.govt.nz.

Experience to date indicates that it is helpful to co-investors to contact MPI as soon as possible after deciding to submit a proposal. This provides an opportunity to get advice about the proposal's fit with PGP and other matters which impact upon the PGP process.

3.4. Submitting the Proposal

When you are ready to submit your proposal:

- provide 8 hard copies; and
- a soft copy, either by email or other electronic storage device sent with your hard copies,

to the PGP Directorate. The soft copy can be emailed to pgp@mpi.govt.nz.

Completeness Check

Please ensure that you:

- use the correct PGP proposal form;
- complete all sections of the form;
- provide the required financial information; and
- provide the correct number of copies.

An incomplete proposal will not be assessed by the Panel and will be returned to you.

MPI's Preliminary Written Comment

When it considers proposals, the Panel receives a written preliminary comment from MPI which provides MPI's comments on the proposal, based on PGP rules and criteria.

When preparing comment, MPI will seek comment from New Zealand Trade Enterprise (NZTE) and the Ministry for Business, Innovation and Employment (MBIE).

4. Proposal – Assessment

4.1. The Investment Advisory Panel's Assessment

The Panel will assess all completed proposals that are submitted. There are two elements to the Panel's assessment of proposal:

- **Eligibility.** The Panel must be satisfied that a proposal meets the eligibility rules. A proposal cannot be approved by the Panel unless it meets all these rules.
- **Assessment.** Proposals will be assessed against a number of criteria.

The rules and criteria, and the guidelines used by the Panel to apply them, are in section 2.

Once the proposal has been assessed, the Panel will make a final decision about your proposal. When making this decision, the Panel will take into account:

- how well your proposal performed against the assessment criteria;
- how well your proposal performed compared to other proposals submitted;
- the amount of PGP funds available.

4.2. Investment Advisory Panel Decisions on Proposals

The Panel may make one of three decisions. In all cases the Panel will provide the co-investors with a decision letter setting out its assessment of the proposal against the rules and criteria.

- **Decline.** The Panel will decline your proposal if it determines that it does not meet all the eligibility rules, there is insufficient funding available for your proposal, or your proposal is not of sufficient merit.
- **Request resubmission.** The Panel may request resubmission of your proposal with further information or changes for reconsideration if it considers the proposal has potential but it needs more work or further information. When the Panel requests resubmission, it will:
 - provide guidance on what additional information or changes it requires for resubmission;
 - at its discretion, make suggestions for amendments or enhancements to the proposal.

Being requested to resubmit your proposal does not guarantee that your proposal will be subsequently approved, even if the changes are made.

- **Approve.** The Panel will approve a proposal for development of a business case if it is eligible, there are sufficient funds available, and the Panel considers it is of sufficient merit when assessed against criteria. When the Panel approves a proposal for business case development it will:
 - at its discretion, make suggestions for amendments or enhancements to the proposal;

- provide guidance on what additional requirements it expects to be included in the business case (for example it may require specific market research to be carried out, or seek peer review of aspects of the proposal, etc.);

The Panel may also:

- set requirements for progress reports towards completion of the business case
- set a deadline for completion of the business case.

Approval by the Panel for a proposal to be developed into a business case does not in any way commit the Panel to recommend the business case be approved; nor does it imply that the Director-General of MPI will approve funding.

5. Business Case – Development

5.1. PGP Directorate Engagement

Once the IAP has approved a proposal to progress to the business case development stage, the industry parties meet with the PGP Principal Adviser and Development Adviser to discuss the requirements for how the business case will be developed and timing.

5.2. Business Case Development Group (BCDG)

A Business Case Development Group (BCDG) should be established to oversee the development of the business case. Whilst not a formal governance group, the MPI members will actively engage to provide advice and input to the co-investors through reviewing iterations of the business case.

Representatives on the Business Case Development Group

As the leaders of the development of your business case, it is up to your co-investor group to decide the industry make-up of your BCDG.

From a Crown perspective there will be the PGP Development Adviser and/or, the PGP Principal Adviser. There may also be a PGP Investment Manager and one appropriate sectoral /industry expert from within MPI.

5.3. Developing the Business Case

Once you have established your BCDG, including Crown representation, and have determined how you will work together, you need to complete your business case.

Business Case Requirements

The information you need to provide and full guidelines for completing a business case will be advised, and will include additional requirements set out by the Panel in your proposal approval. Some items to include and consider are:

- how you intend to govern the co-investment is part of one of the assessment criteria, and you will need to demonstrate the effectiveness of your proposed programme governance structure as part of your business case;
- development of an outcome logic model with associated measures and indicators.

Working with Crown Representation

The Crown representation on the BCDG will:

- assist with information flows between the BCDG and government;
- provide you with advice and guidance on meeting PGP requirements.

The Crown representation does not act as an assessor; the Panel will assess your business case and advise MPI on whether they think the programme should be supported.

Reporting

Monthly updates to MPI on progress is required.

These reports provide an opportunity for you to report on progress of the business case, signal issues and possibly to provide iterative development of your business case, which may be provided to the Panel. The Panel and/or MPI may provide you with feedback, which you can take into account to further develop your business case.

Changes to Deadlines

If you are encountering difficulties completing your business case within the stated timeframe, you should include this in your report as soon as possible, or separately contact the PGP Directorate to inform them. The PGP Directorate will work with you on what action will then take place.

5.4. Submitting a Business Case

When your BCDG decides the business case is complete, it can submit it for formal assessment. The choice to submit the business case is the BCDG's, and it can be submitted at any time.

To submit your business case:

- provide 8 hard copies; and
- a soft copy, either by email or other electronic storage device sent with your hard copies, to the PGP Directorate.

6. Business Case – Assessment

The Panel will assess all submitted business cases. There are two elements to the Panel's assessment of business cases:

- **Eligibility.** The Panel must be satisfied that a business case meets eligibility rules. A business case cannot be approved by the Panel unless it meets all these rules.
- **Assessment.** The business case will be assessed against a number of criteria and its performance against each of these criteria will be rated and compared.

The rules and criteria used to assess your business case are the same as for your proposal, but you will be expected to provide more detail or a more robust analysis in your business case. The rules, criteria and guidelines are set out in Section 2.

Once the business case has been assessed, the Panel will make a final recommendation about your business case.

Please note that, even though your proposal was approved, and even if your business case appears to meet the eligibility rules and assessment criteria there is no guarantee your business case will be recommended for approval by the Director-General of MPI. The merits of each business case are considered by the Panel and the final recommendation given to the Director-General MPI.

6.1. Resubmission

The Panel may ask you to resubmit your business case for reconsideration with further information or changes if it considers that there is not yet enough information for it to make a recommendation to MPI. If the Panel requests resubmission it will:

- provide guidance on what additional information or changes it requires for resubmission;
- at its discretion, make suggestions for amendments or enhancements to the business case; and/or
- provide an update on the deadline and reporting requirements for the next round of development.

There is no set limit to the number of times your business case can be resubmitted.

6.2. Investment Advisory Panel Recommendations

Once the Panel accepts your business case as complete, the Panel will make one of two recommendations to the Director-General MPI.

- **Recommend approval**
- **Recommend decline**

7. Decision

Once the Panel has assessed the business case, the business case and the recommendation are considered by the Director-General MPI, who decides whether to accept or reject the Panel's recommendation. A recommendation by the Panel does not in any way commit the Director-General MPI to a particular decision.

You will then be advised of the final decision, which will have one of two outcomes:

- **Approval.** If your business case and funding arrangements are approved, you will move to the contracting stage.
- **Decline.** If your business case is declined, you will get feedback about the reasons.

8. Contracting

8.1. Contracting between the Crown and Co-investors

Once a programme has its business case approved, the Crown and co-investors will enter into a contract that commits each party to implement the business case. The contract will detail the obligations each has for cash and in-kind contributions; reporting requirements; procuring providers; and the role of the PSG.

A copy of the standard PGP contract is available on the PGP section of the MPI website <https://www.mpi.govt.nz/funding-and-programmes/primary-growth-partnership/>

8.2. Managing Variances between Approved Business Case and Actual Expenditure

The amount of PGP funding available to a programme is capped upon approval of the business case. This has important consequences for the management of variances against forecast budgets.

8.3. Monitoring and Reporting

MPI is responsible for managing the commitment of PGP funds to programmes. MPI will monitor contract spending against forecast to ensure the PGP funding does not exceed its appropriation. Managing programme variances to forecast is very important and programmes can expect that financial management will be a key component of programme management.

MPI is also responsible for the overall administration of PGP against its intended objectives. MPI will therefore also closely monitor programme activity towards stated outcomes.

8.4. Programme Steering Group (PSG)

Once your contract has been signed, you will need to form a Programme Steering Group (PSG). The PSG's role is:

- to provide overall programme governance which is the management framework within which programme decisions are made
- to oversee the implementation of the approved business case and contract
- to ensure that the programme is tracking on time, on budget and is achieving its expected outcomes.

Representatives on the Programme Steering Group

It is up to your co-investor group to decide the industry representation on PSG.

There will be at least two Crown representatives on your PSG, usually from MPI.

PSGs may have an independent Chair who is neither from the co-investing industry group nor from MPI.

Note, the Programme Manager is expected to support the operation of the PSG but should not be a PSG member.

When your business case is approved, MPI will inform you of Crown representation for your PSG.

Other Representation on the Programme Steering Group

Representation from parties other than co-investors and the Crown, such as a representative from a related party who is involved in the industry initiative, can be invited by the industry and Crown co-investors to join the PSG as a PSG member or an observer.

Legal Structure of the Industry Representation of the Programme Steering Group

The legal structure of the industry representation of your PSG is up to you, and can range from formal legal arrangements to informal arrangements.

While there is no requirement for your industry representation to take a specific structure, you must take these things into account:

- Governance should occur as set out in your business case
- The Crown will not participate in any special legal structure you create (e.g. the Crown will not become shareholders or directors of a legal entity)
- The function and operation of the PSG within the broader governance framework you put in place e.g. the relationship between the PSG and the Board of a company constituted to implement a programme.

8.5. Additional Information

Additional information on contracting, implementation and evaluation of the programme, including monitoring, reporting, and programme management, will be provided during the business case development stage.

9. General information

9.1. Commercial in Confidence Nature of PGP Material

MPI acknowledges that information it holds about PGP may be commercially sensitive. Therefore some information will be held in confidence. This includes:

- the identity of entities engaging with PGP at any stage prior to a contract being signed;
- information provided to or by MPI and the Panel prior to Proposal submission;
- Proposals;
- Business Cases;
- working papers; and
- material used to comment on and assess Proposals and Business Cases.

Publication of Decisions

MPI will make public all PGP programmes, including who the co-investors are, the amounts invested, and a brief description of each programme, following the approval of the programme by the Director-General or following the signing of a contract, as agreed with the co-investor. The content and method of initial release will be agreed with each co-investor. Following the signing of a contract, all PGP programmes must have regularly updated information on the PGP section of the MPI website.

9.2. Investment Advisory Panel and Conflicts of Interest

The Panel actively declares and manages any conflicts of interest or potential conflicts of interest. This has two main components:

Firstly, the Panel maintains a register of interests declared by its members and the register is reviewed and updated at the commencement of each Panel meeting. The register is available at <http://www.mpi.govt.nz/funding-and-programmes/primary-growth-partnership/investment-advisory-panel/>

Secondly, Panel members are required to specifically disclose whether they hold any interest which may create an actual or potential conflict in the consideration of any matter before the Panel. In this situation:

- the Panel will discuss whether it considers there is a conflict of interest;
- if the Panel concludes a conflict of interest does exist, it will determine how this is to be managed (this may be a Panel member withdrawing from decision making and/or discussion and may extend to the Panel member receiving no papers or other material associated with the matter); and
- the minutes of the meeting will reflect the Panel's decision.

If you consider that there are any conflicts of interest relating to you and/or your proposal and members of the Panel, please contact the Manager PGP who will determine how to manage the matter, following a discussion with the Chair of the Panel.

9.3. Official Information Act

MPI is bound by the Official Information Act 1982 (OIA) and is subject to other public law obligations. Accordingly, while information is intended to be held in confidence, the information it holds can be requested by third parties and MPI must provide information as required to do so by law.

The OIA does enable MPI to withhold information under certain conditions. Where possible MPI will consult with co-investors when it receives an OIA request.

9.4. Declaration

As part of the PGP process, you will be required to sign and submit a declaration to confirm that the information you provide is accurate and acknowledge that you have read and understood these guidelines, including the Official Information Act obligations.

9.5. Due Diligence

During the PGP process, MPI may undertake due diligence checks on proposals and applicants as needed. This will include sharing the nature of proposals and business cases with other government agencies. Signing and submitting the proposal form is considered consent to these checks taking place.

9.6. Financial Matters

GST

All amounts included in the proposal and business case should be GST exclusive. Funding figures mentioned in this document are GST exclusive.

Tax Advice

MPI does not provide tax advice. It is your responsibility to seek advice from a tax specialist about how any funding granted might affect your tax position.

Financial Year

Please specify the financial year that you wish to use for your programme. For your information, the Crown's financial year runs from 1 July to 30 June with quarters ending:

- 30 September
- 31 December
- 31 March
- 30 June