

# REQUEST FOR PROPOSALS

## HIGH-VALUE NUTRITION

## CONTESTABLE FUND

VERSION 2, SEPTEMBER 2019

Host institution:



## KEY INFORMATION

### 1.1 About this document

- This Request for Proposals (**RFP**) for the High-Value Nutrition (**HVN**) Contestable Fund has been issued by the University of Auckland in its capacity as Challenge Contractor for the HVN *Ko Ngā Kai Whai Painga* National Science Challenge ([www.highvaluenutrition.co.nz](http://www.highvaluenutrition.co.nz)).
- This RFP is an invitation to Eligible Respondents to submit a Proposal for the Contestable Fund which includes the Core Fund, the Māori Food and Beverage (F&B) Innovation Fund and the Emerging F&B Innovation Fund. The details of each Fund are set out in Section 1 of Part A.
- There are two types of Proposals that can be submitted by Eligible Respondents:
  - Research Grant Proposal
  - Development Grant Proposal
- Research Grants are available under all three Funds.
- Development Grants are limited to the Māori and Emerging F&B Innovation Funds.

### 1.2 About this version

- The main updates to this RFP under Version 2 are:
  - **the structure of the Core Fund has been amended from three annual rounds in 2019, 2020 and 2021 to an ‘open until fully subscribed’ status.** This means that Proposals for all three Funds can now be submitted at any time throughout the year until the Funds are fully subscribed. Proposals will be assessed on a quarterly basis by the Assessment Panel in accordance with our Review and Assessment Process; and
  - **the Flexible Process previously limited to the Māori and Emerging F&B Funds is now also available for the Core Fund.** This means that Eligible Respondents can now submit an Expression of Interest (EOI) for any of the three Funds prior to submitting a Full Proposal. Submitting an EOI provides forward guidance to the Governance Board of upcoming Proposals, which will be taken into considerations when allocating Grants.

### 1.3 Structure of this document

- This RFP is structured in five parts:

Part A: The Opportunity	
A.1 Background	A.5 Development Grant Assessment Criteria
A.2 Available Grants	A.6 Additional Requirements
A.3 Research Plan Assessment Criteria	A.7 Review and Assessment Process
A.4 Business Case Assessment Criteria	
Part B: Research Grant Proposals	
Research Plan	Industry Business Case
B.1 About the Research Organisation	C.1 About the Industry Partner
B.2 Research Details	C.2 Product Evaluation Criteria
B.3 Summary	C.3 Export Market Opportunity
B.4 Background	C.4 Projected Economic Impacts
B.5 Existing Science	C.5 Referees
B.6 Objectives, Milestones and Deliverables	
B.7 Outcomes, Benefits and Impacts	

B.8 Alignment B.9 Vision Mātauranga B.10 Research Plan B.11 Intellectual Property B.12 Research Team B.13 Timeline B.14 Research Funding B.15 Referees B.16 Attachments B.17 Declaration	
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Part C: Development Grant Proposal	
C.1 Respondent Details	C.4 Referees
C.2 Project Details	C.5 Attachments
C.3 About the Project	C.6 Declaration
Part D: Expressions of Interest	
D.1 Respondent Details	D.3 About the Project
D.2 Project Details	D.4 Support
Part E Appendices	
E.1 Terms and Conditions	E.3 Budget Guidelines
E.2 Definitions	E.4 CV Template

## 1.4 Respondents

- The Respondent for a Research Grant Proposal is the Research Organisation meeting the eligibility requirements in Section A.6 (Additional Requirements). The Industry Partner for a Research Grant Proposal is not the Respondent.
- The Respondent for a Development Grant Proposal is the Māori or Emerging F&B Organisation meeting the eligibility requirements in Section A.6 (Additional Requirements).

## 1.5 Reading this document

- Words and phrases that have a special meaning are shown by the use of capitals with the associated definitions included at Appendix E.2.
- Eligible Respondents for a Research Grant need to read Parts A, B and E of this document.
- Industry Partners for a Research Grant need to read Parts A, B and E of this document.
- Eligible Respondent for a Development Grant need to read Parts A, C and E of this document.
- Respondents submitting an EOI should read Parts A, D and E of this document.

## 1.6 Our timeline

Steps	Date
Release of RFP (Version 1)	Monday, 20 May 2019
Release of RFP (Version 2)	Monday, 16 September 2019
Deadline for Proposals	N/A, open until fully subscribed *
Assessment Panels	Quarterly (aligned to Governance Board meeting schedule)

## 1.7 How to contact us

- All enquiries should be directed to our Point of Contact:  
**Name:** Simmon Hofstetter, HVN Operations Manager  
**Email address:** [hvn@auckland.ac.nz](mailto:hvn@auckland.ac.nz)

## 1.8 Developing your Proposal

- This is an open, competitive process. The RFP sets out the process and conditions that apply.
- Take time to read this RFP and the [High-Value Nutrition Strategic Plan 2019-2024](#) before starting.
- For Research Grant Proposals:
  - the Research Plan must be completed by the Research Organisation
  - the Industry Business Case must be completed by the Industry Partner
  - the Proposal must be submitted by the Research Organisation as the Respondent.
- Development Grant Proposals (Māori and Emerging F&B Innovation Funds only) must be completed and submitted by an Eligible Respondent.
- EOIs can be completed by any organisation seeking to register their interest for a Grant and/or to seek HVN support to engage with Research Organisations and Industry Partners.
- Do not modify any headings or the structure of the Proposal and ensure all sections are completed.

## 1.9 Submitting your proposal

- The completed Proposal must be submitted by email to [hvn@auckland.ac.nz](mailto:hvn@auckland.ac.nz)
- Proposals submitted by fax or hard copy will not be accepted.

## 1.10 Our Review and Assessment Process, Terms and Conditions

- This RFP is subject to our Review and Assessment Process (Section A.7) and the Terms and Conditions described in Appendix E.1.
- In submitting a Proposal the Respondent agrees that their Proposal will remain open for approval by the HVN Board for up to six (6) calendar months from the date of submission (Validity Period) and that the project delivery dates will need to be adjusted accordingly.
- The Proposal Validity Period does not apply to EOIs.

## 1.11 Later changes to the RFP

- If, after publishing the RFP, we need to change anything about the RFP or want to provide Respondents with additional information we will place a notice on the HVN website ([www.highvaluenutrition.co.nz](http://www.highvaluenutrition.co.nz)).

## PART A: THE OPPORTUNITY

### 1 Background

In November 2018 the mid-way review of the National Science Challenges concluded with the Science Board agreeing to fund the HVN *Ko Ngā Kai Whai Painga* National Science Challenge to deliver the [HVN Strategic Plan 2019-2014](#). The Strategic Plan sets out an approved allocation of \$45.6M for research to advance the Mission of the Challenge over the next five years to 30 June 2024 with \$13.7M specifically allocated for the Contestable Fund.

Fund	Allocation (\$)
Core Fund	\$10,700,000
Māori Food and Beverage Innovation Fund	\$2,000,000
Emerging Food and Beverage Innovation Fund	\$1,000,000
<b>Total Contestable Fund</b>	<b>\$13,700,000</b>

**Table 1 – Contestable Fund Allocation for Tranche 2 (2019 – 2024)**

The primary objective of the Contestable Fund is to introduce new research ideas and teams into the Challenge that will leverage HVN Capabilities developed during Tranche 1 (2014 – 2019) to deliver excellent, high-impact science across our four Priority Health Areas of Metabolic, Digestive, Immune and Infant Health.

‘HVN Capability’ is a broad term that encompasses the intellectual property, biomarkers, metabolic or immunological fingerprints, research methods, data and tools developed through HVN-funded and aligned research projects. This includes, but is not limited to:

- ‘omics and immune phenotyping analyses
- data science capabilities
- clinical study protocols
- clinical study data
- dietary assessment techniques and questionnaires
- decision support tools (e.g. FoodFort: <https://foodfort.riddet.ac.nz/>)
- novel bioactive delivery technologies.

In addition to the Primary Objective, the specific objective for the Māori F&B Innovation Fund is to develop the innovation capacity of Māori F&B businesses and deliver outcomes for Māori that align with Māori aspirations for themselves. The specific objective for the Emerging F&B Innovation Fund is to develop the innovation capacity of emerging F&B businesses and grow the science excellence and knowledge New Zealand needs to invest in emerging industries that have the potential to deliver significant benefit for New Zealand.

### 2 Available Grants

The Contestable Fund provides a range of funding opportunities to allow for multiple entry points for F&B industry partners, products and research projects that are at different stages of development. The Grant amounts are indicative only and Proposals are not expected to total the exact maximum amount, but be based on a full costing as per the Budget Guidelines (Appendix E.3)

Grant Category	Indicative Funding	Indicative Term	Fund
Development	< \$50,000	< 12 months	Māori, Emerging F&B Funds
Seed	< \$100,000	< 12 months	All Funds
Explorer	< \$250,000	< 24 months	All Funds
Project	< \$500,000	< 24 months	All Funds
Programme	< \$1,000,000	< 36 months	All Funds

**Table 2 – Contestable Fund Allocation for Tranche 2 (2019 – 2024).**

## 2.1 Development Grants

The purpose of a Development Grant is primarily to support the formation of new industry clusters, but may also include some early stage product development and support to develop proposals for Seed, Explorer, Project and Programme Grants with research partners. The type of costs that may be included in a Development Grant include, but are not limited to:

- project management
- event and meeting costs with prospective cluster members
- consumer insights research
- regulatory reviews
- preliminary research to inform a Research Grant proposal.

In Tranche 1, HVN entered into a \$1M collaboration with the NUKU ki te Puku™ cluster of Māori-owned F&B entities. The collaboration, known as Tū Ora, is driven by the aspirations of NUKU ki te Puku™ and combines science, education and commercialisation in order to progress new value development. The model allowed HVN to test a strategy for engagement and knowledge transfer that can be adopted by other Māori businesses, including small to medium sized enterprises (SMEs). The cluster model may also be applicable to mixed groups of Māori and non-Māori businesses who choose to work together for mutual benefit.

Proposals for Development Grants need to be submitted by a legal entity that meets the definition of a Māori Organisation or an Emerging F&B Organisation (or legal entity representing one or more of these Eligible Respondents). For the purposes of the Māori F&B Innovation Fund, HVN will consider Proposals by a legal entity acting on behalf of a mixed group of Māori and non-Māori F&B businesses who choose to work together for mutual benefit. Refer to our Additional Requirements (Section A.6) for more information.

## 2.2 Research Grants (Seed, Explorer, Project and Programme)

The purpose of offering different Grant Categories is to **increase accessibility** to the Contestable Fund and to **diversify** the HVN portfolio of investments in science by offering multiple entry points for F&B industry partners, sectors, products and research projects that are at different stages of development.

Subject to our Additional Requirements (Section A.6) and Budget Guidelines (Appendix E.3), HVN has not limited the type of research projects and activities that can be funded under each Research Grant and Respondents should map their Proposal to Grant Category based on the **budget** and **duration** of the Project.

The focus for the Challenge in Tranche 2 (2019 – 2024) is the delivery of clinical studies in partnership with industry using the biomarkers, research methods and other relevant HVN Capabilities developed during Tranche 1 to validate food-health relationships in the Priority Health Areas.

HVN will fund a range of early and later stage clinical studies, including Feasibility Studies, Pilot Studies and Full Studies (Acute, Medium-Term and Longer-Term) provided there is a robust clinical study strategy in place. The terms ‘feasibility study’, ‘pilot study’ and ‘proof of concept study’ are often used interchangeably in the research community. The National Institute for Health Research, Evaluation, Trials and Studies Coordinating Centre (NETSCC) (2009) defines a ‘feasibility study’ as: *“pieces of research done before a main study in order to answer the question “Can this study be done?”. They are used to estimate important parameters that are needed to design the main study”*. This may include an assessment of:

- whether it is possible to obtain ethics and regulatory approvals
- ability to recruit and randomise participants
- participant adherence/compliance and dropout rates
- ability to obtain biological samples (e.g. biopsies and faecal samples)
- whether a food product is sufficiently palatable for participants
- aspects of logistics (e.g. storage and distribution of the intervention product to participants)
- processing of samples within a specified timeframe.

The outcome of a Feasibility Study is often a revision of an intended protocol, but would be unlikely to generate any statistically significant results regarding the proposed intervention and is not intended to evaluate the outcome of interest (NETSC, 2009).

Pilot studies have been defined as *“a version of the main study that is run in miniature to test whether the components of the main study can all work together. It is focused on the processes of the main study, for example to ensure recruitment, randomisation, treatment, and follow-up assessments all run smoothly. It will therefore resemble the main study in many respects, including an assessment of the primary outcome. In some cases this will be the first phase of the substantive study and data from the pilot phase may contribute to the final analysis; this can be referred to as an internal pilot. Or at the end of the pilot study the data may be analysed and set aside, a so-called external pilot”* (NETSC, 2009).

The term ‘Full Study’ includes Acute Studies, Medium-term Studies and Longer-Term Studies. Acute Studies will generally involve a single intervention and this is often, but not necessarily, a single meal in the morning followed by collection of samples for a defined time period. Medium-Term studies usually include an intervention period of between two and 12 weeks, but may be up to six months, and assess either clinical end points or biomarkers. Longer-Term Studies may be undertaken when there is already evidence of efficacy from Acute or Medium-Term Studies and are designed to provide evidence for intervention impacts in an uncontrolled habitual lifestyle.

The key implications for Respondents arising from the Challenge focus on clinical studies are:

- Respondents need to engage with the Health Priority Research Programme (PRP) and Enabling Programme Principal Investigators early in the proposal development process to assess how best to align their Proposal to the Priority Health Areas and leverage HVN Capabilities developed during Tranche 1.
- Proposals for standalone pre-clinical studies, non-clinical research activity (e.g. F&B composition analysis) and other early-stage research must demonstrate a clear and credible pathway to Full Studies.
- The Research Plan must clearly indicate the type of clinical study (i.e. Feasibility, Pilot or Full Study) to be delivered and provide a detailed description of the key parameters of the study protocol using the [SPIRIT Checklist](#) (particularly Items 6a – 15) or comparable international standard for RCT protocol content. Sufficient information must be provided to enable an assessment as to whether the study will be appropriately powered based on a primary end point.

- Separate studies and discrete elements of the Research should be listed as separate Objectives in the Proposal with a clearly articulated cost for each Objective in accordance with the Budget Guidelines (Appendix E.3). This separation of budget by Objective will facilitate discussions between HVN and Respondents about which elements can be funded in this Contestable Round, and which elements should be deferred to future proposals or redirected to other funders.

Successful Respondents will be required to consult with the HVN Directorate on the preparation of the clinical study protocol and associated ethics and regulatory applications, and are expected to follow the [SPIRIT Checklist](#) or comparable international standard for protocol content. The Subcontract template also requires Successful Respondents to:

- register the clinical study on ClinicalTrials.gov or the Australian New Zealand Clinical Trials Registry;
- disseminate the results via a peer-reviewed, high-impact international journal as soon as is reasonably practicable; and
- retain the right to publish the results in all Industry Agreements.

### 3 Research Plan Assessment Criteria

The Research Plan will be assessed against two Assessment Criteria:

- **excellence**
- **alignment**

Impact is now considered as part of the Business Case Assessment Criteria.

#### 3.1 Excellence

Excellence is one of the pillars of the New Zealand science system and is defined in the National Statement of Science Investment 2015-2025 as: “*well-designed, well-performed, well-reported research, recognised as such, e.g. through peer review*” (MBIE, 2015).

Our Review and Assessment Process (Section A.7) will have regard to three elements of Excellence and the associated considerations listed below when reviewing the Research Plan:

Element	Considerations
Science Excellence	<ul style="list-style-type: none"> <li>• quality and credibility of the research plan</li> <li>• novelty and stretch of the science and positioning within the international research landscape</li> <li>• degree to which Proposal leverages existing science and aligned research</li> <li>• degree to which Proposal utilises and further develops HVN Capabilities</li> <li>• the potential for high-impact publications</li> </ul>
Best Team	<ul style="list-style-type: none"> <li>• appropriate mix of skills and experience within the team</li> <li>• capability of the team to deliver the research plan</li> <li>• level of inter-institutional and international collaboration</li> </ul>
Vision Mātauranga	<ul style="list-style-type: none"> <li>• degree to which opportunities to align to the HVN Vision Mātauranga Strategy have been considered and (where relevant) are reflected in the design of the research, the capability and skill mix of the research team and the connections to key Māori stakeholders</li> </ul>

**Table 3 – Excellence assessment criteria for research plans**

## 3.2 Alignment

The second criteria included in our Review and Assessment Process (Section A.7) is the degree to which the Research Plan demonstrates alignment to the following HVN plans and strategies:

- our Mission
- our Strategic Plan
- our [HVN Vision Mātauranga Strategy](#)
- our [Outcome Framework](#)
- at least one Priority Health Area
- the objectives for the Contestable Fund (Section A.1)

## 3.3 Vision Mātauranga

Vision Mātauranga is integrated into all of our Assessment Criteria.

The [HVN Vision Mātauranga Strategy](#) has three key focus areas:

1. Ngā uara: a focus on values
2. Effective engagement with Māori F&B stakeholders
3. Māori research capacity and capability

Respondents must familiarise themselves with the HVN Vision Mātauranga Strategy and explore with their research teams and Industry Partner(s) meaningful ways to support the intent of the strategy.

## 4. Business Case Assessment Criteria

The purpose of the business case is to facilitate an assessment of the F&B product or ingredient proposed for inclusion in the Research against the HVN **evaluation criteria**. These criteria prioritise F&B products or ingredients that have a unique and compelling 'NZ Inc' and Vision Mātauranga narrative, and traits that are known to be valued by Asian consumers (including provenance and safety). F&B products and ingredients will also be prioritised where there is a credible pathway to export markets (including regulatory and scalability factors) and existing pre-clinical or clinical scientific evidence demonstrating a food-health relationship. It is therefore of **critical importance** that the format, dose, composition and bioactive compounds of the product or ingredient are clearly set out in the business case.

The term '**NZ Inc.**' incorporates a number of different perspectives. There is the 'consumer perspective' on what makes a product a 'New Zealand product', which includes considerations such as provenance, branding, where ingredients are sourced, the location of the manufacturing and production facilities, the ownership and control of businesses and a range of other considerations. 'NZ Inc.' can also be considered from a 'networking perspective' in terms of whether the business is making effective use of NZ Inc. agencies, such as MPI, NZTE and Treasury to develop and commercialise their products. Finally, there is the 'reputational perspective' - i.e. how is the product enhancing the 'NZ Inc.' reputation of the country more broadly as a producer of high-value F&B products.

The business case also enables an assessment of the **capability, capacity and commitment of the F&B industry partner** to support the Research over the term of the Grant and to commercialise the results for the benefit of New Zealand. This includes an assessment of corporate strategy (where the industry partner competes in terms of industries and geographic areas) and business unit / marketing strategy (how the industry partner competes, particularly in relation to high-value F&B products).

Consideration will also be given to F&B businesses that have:

- a history of engaging collaboratively with the New Zealand research ecosystem and have a well-developed R&D strategy demonstrating how research is used to drive innovation and achieve sustainable competitive advantage
- a proven track-record of successfully exporting high-value F&B to Asian consumers that is supported by a well-articulated international strategy.

It is recognised however that the above two criteria are less relevant for SMEs and early-stage research. The Assessment Panel will have appropriate regard to this.

As an ethical and responsible funder, HVN is committed to the **sustainable development** of New Zealand F&B products. This also forms part of our commitment to Vision Mātauranga and the *Taiao* theme. Industry Partners are requested to articulate how their business operating model contributes to the [UN Sustainable Development Goals](#), with reference to specific examples and initiatives of the kind included in the [SDG Matrix for Food, Beverage & Consumer Goods](#).

The Mission of the Challenge is to *build the science excellence and knowledge New Zealand needs to create and deliver foods to the world that people choose to stay healthy and well*. Central to the mission are **export market opportunities** and the **projected economic impacts** (including additional export revenue) arising from the development and commercialisation of high-value F&B by New Zealand businesses.

To enable HVN to assess the scale of the export market opportunity, Industry Partners are required to provide a summary of the supporting analysis completed to scope and validate the opportunities identified in the target market(s). This should include segmentation analysis and relevant consumer insights. Industry Partners also need to demonstrate that appropriate consideration has been given to entry barriers and risks, including in-market competitive forces and regulatory requirements.

The factor linking the export market opportunity to economic impact is the ability of the F&B business to successfully incorporate the Research findings into functional strategies and operating models. Industry Partners will need to articulate how the results of the Research will be used to drive export growth. This may include, but is not limited to, the pursuit of a health claim for the F&B, the development and protection of intellectual property or the creation of marketing and consumer engagement techniques.

The assessment of projected economic impacts requires Industry Partners to provide sufficient financial information to enable HVN to assess the likely return on investment in terms of the additional export revenue that is projected to arise from the research compared to counter-factual projections. The Assessment Panel will also have regard to the other anticipated economic, social and environmental benefits arising from the research for the industry partner, the F&B sector and New Zealand (including indirect or 'spill-over' benefits).

The challenge of quantifying and attributing economic impacts to innovation activity are well documented by the New Zealand Institute of Economic Research (2014), the Productivity Commission (2017) and in the recent review of the Primary Growth Partnership (2018). It is acknowledged that there is considerable uncertainty as to the outcome of the Research and commercialisation activity. In accordance with generally accepted accounting principles for prospective financial statements, what HVN requires is the provision of the **best information** that could reasonably be expected to be available at the time the projections are prepared. This information should be **reasonable and supportable** and faithfully represent the assumptions and information on which the projections are based. The projections should also emphasise all **significant assumptions, risks and uncertainties** including the projected level of demand for the F&B product and exposure to inflation, exchange rates and commodity prices.



Figure 1: Business case requirements for the Contestable Fund

## 5. Development Grant Assessment Criteria

The Development Grant Proposal will be assessed against two Assessment Criteria:

- **impact**
- **alignment**

The Alignment criteria are described in Section A.3.3.

For the Impact criteria, our Review and Assessment Process (Section A.7) will have regard to the three elements of Impact and the associated considerations listed below when reviewing the Research Plan:

Element	Considerations
Benefit to New Zealand	<ul style="list-style-type: none"> <li>• scale, extent and relevance of the direct and indirect benefits likely to arise from the Development Grant over the short, medium and longer-term</li> </ul>
Implementation Pathway	<ul style="list-style-type: none"> <li>• quality and credibility of the project plan</li> <li>• mix of skills and experience within the project team</li> <li>• evidence of early and meaningful engagement with Industry Partner(s), key F&amp;B stakeholders and Research Organisations (where relevant)</li> <li>• evidence of strong support and commitment from key F&amp;B stakeholders</li> <li>• a clear and credible pathway to use the results from the Development Grant to inform future research or otherwise develop the innovation capacity of the Respondent or the sector</li> </ul>
Vision Mātauranga	<ul style="list-style-type: none"> <li>• degree to which opportunities to align to HVN Vision Mātauranga Strategy have been considered and (where relevant) are reflected in the design of the project, the capability and skill mix of the team and connections to key Māori stakeholders</li> <li>• degree to which potential direct and indirect benefits to Māori have been considered, including opportunities to develop Māori research and innovation capability</li> <li>• extent to which the implementation pathway has explored potential engagement with key Māori stakeholders and Māori aspirations in delivering these benefits</li> <li>• evidence of effective partnerships with Māori and early and meaningful engagement with Māori F&amp;B industry partners (where relevant)</li> <li>• evidence of Access and Benefit Sharing (ABS) arrangements with Māori for any Mātauranga Māori that is proposed for inclusion (where relevant)</li> </ul>

**Table 5 – Impact assessment criteria for Development Grants**

## 6. Additional Requirements

In addition to the Research Plan Assessment Criteria (Section A.3) and the Business Case Assessment Criteria (Section A.4), this section sets out the additional requirements that need to be acknowledged or satisfied by Respondents in their Proposal.

### 6.1 Respondent Eligibility: Core Fund

Proposals for Research Grants funded through the Core Fund need to be submitted by a **New Zealand-based Research Organisation** (or legal entity representing a New Zealand-based research organisation) in partnership with one or more F&B Industry Partners. The term 'Research Organisation' has the same meaning as set out in the 2019 Endeavour Fund guidelines: *"research organisation means an organisation that has sufficient internal capability for carrying out research, science or technology, or related activities"*.

### 6.2 Respondent Eligibility: Māori F&B Innovation Fund

Proposals for Development Grants funded through the Māori F&B Innovation Fund need to be submitted by a legal entity that meets the definition of a **Māori Organisation** (or legal entity representing one or more of these Eligible Respondents). HVN will consider applications by a legal entity acting on behalf of a mixed group of Māori and non-Māori organisations who choose to work together for mutual benefit.

The term 'Māori Organisation' has the same meaning as set out in the Te Pūnaha Hihiko (Vision Mātauranga Capability Fund) guidelines: *"A Māori organisation is defined as an organisation that identifies itself as Māori and uses (or wishes to use) research, science and technology or related activities"*.

Proposals for Research Grants funded through the Māori F&B Innovation Fund need to be submitted by a **New Zealand-based Research Organisation** (or legal entity representing a New Zealand-based research organisation) in partnership with one or more Māori Organisations.

### 6.3 Respondent Eligibility: Emerging F&B Innovation Fund

Proposals for Development Grants funded through the Emerging F&B Innovation Fund need to be submitted by a legal entity that meets the definition of an **Emerging F&B Organisation** (or legal entity representing one or more Emerging F&B Organisations).

The term 'Emerging F&B Organisation' means an organisation that is growing/producing, manufacturing or otherwise representing an F&B product that has one or more of the characteristics identified in the Emerging Growth Opportunities in New Zealand Food & Beverage report (MBIE, 2018):

- unique
- counter-seasonal
- on-trend
- leverage provenance.

Proposals for Research Grants funded through the Emerging F&B Innovation Fund need to be submitted by a **New Zealand-based research organisation** (or legal entity representing a New Zealand-based research organisation) in partnership with one or more Emerging F&B Organisations.

The Governance Board shall reserve the right to assign a Proposal to any of the three Funds having regard to the purpose and scope of the Grant.

## 6.4 F&B Eligibility

The following three categories are **excluded** and will not be considered for funding:

1. Foods that are explicitly excluded from nutrition content claims and health claims under [Standard 1.2.7 – Nutrition, health and related claims](#) (i.e. kava, infant formula products, foods that contain more than 1.15% alcohol by volume).

**Note:** While foods that do not meet the Nutrient Profiling Scoring Criterion (NPSC) requirements are ineligible to make health claims under Standard 1.2.7, they are not considered to be ‘explicitly excluded’ here. The NPSC calculation needs to be included in the Business Case and HVN will give consideration to foods that do not meet the NPSC on a case by case basis.

2. Foods that do not meet compositional and other regulatory requirements under the [Australia and New Zealand Food Standards Code](#) or the [New Zealand Food Act \(2014\)](#). For example, Chapter 2 of the Australia and New Zealand Food Standards Code specifies all Food Standards, and part 2.9 focuses specifically on requirements for special purpose foods such as foods for infants, formulated supplementary foods (including formulated supplementary foods for young children), formulated supplementary sports foods and foods for special medical purposes. The [New Zealand Food \(Supplemented food\) Standard \(2016\)](#) also specifies compositional requirements under the New Zealand Food Act, which should be considered alongside the Australia and New Zealand Food Standards Code.

**Note:** With regards to foods/food components that may be considered novel or non-traditional, the Business Case will need to include evidence of pre-engagement and opinion from the Advisory Committee on Novel Foods (ACNF), chaired by Food Standards Australia and New Zealand (FSANZ).

3. Dietary supplements, as defined in the [Dietary Supplements Regulations 1985](#).

Refer to the [‘Key regulatory considerations for HVN programmes’](#) (MPI, 2019) on the HVN website ([www.highvaluenutrition.co.nz](http://www.highvaluenutrition.co.nz)) for more information.

F&B ingredients are eligible for funding subject to the above eligibility criteria. The proposal will need to clearly demonstrate that the ingredient is not a dietary supplement (as defined in the Dietary Supplements Regulations 1985) and that there is a clear and credible pathway to commercialisation and impact through end use in a food or beverage product.

## 6.5 Memorandum of Understanding

Proposals for Research Grants need to demonstrate **early and meaningful engagement** with Industry Partners by providing an executed Memorandum of Understanding (MoU) or Letter of Collaboration with their Proposal that outlines how the parties intend to work together to deliver the Research and implement the results.

Proposals for Development Grants should (where possible) include an MOU or Letter of Collaboration signed by all relevant parties represented by the Respondent. For example, if the purpose of the Development Grant is to establish a new F&B industry cluster, then the parties to the MOU or Letter of Collaboration should include those members of the industry cluster that have already agreed to participate. It is recognised however that the purpose of a Development Grant may be to fund engagement with F&B stakeholders with a view to forming an industry cluster and that an MoU or Letter of Collaboration may not be available at the time of submission.

EOIs do not require an MoU.

Respondents should not state that a Proposal has support from iwi or an organisation (including a Māori Organisation) in the absence of supporting evidence demonstrating such support.

## 6.6 Subcontract

If a Proposal for a Development Grant or Research Grant is supported by the Assessment Panel and approved by the Board in accordance with our Review and Assessment Process (Section A.7), the Successful Respondents will be issued with the standard Subcontract Template by the Challenge Contractor which needs to be executed before the Grant can commence.

## 6.7 Industry Agreement for Research Grants

Upon the execution of a Subcontract for a Research Grant, the Successful Respondent is required to enter into an Industry Agreement with their Industry Partner(s) to give effect to the MoU or Letter of Collaboration (Section A.6.5) and the approved Proposal. The Challenge Contractor is not a party to this Industry Agreement.

HVN does not prescribe a particular form or name of the Industry Agreement. However, it must:

- a) be consistent with the IP Policy and Principles (refer Section A.6.10)
- b) include provisions relating to Access and Benefit Sharing (ABS) for Mātauranga Māori (where relevant) (refer Section A.6.11)
- c) detail the objectives, milestones and deliverables for the collaboration
- d) provide for industry co-funding (cash and in-kind) (refer Section A.6.8)
- e) provide for annual economic impact reporting and participation in impact case studies (as required) by the Industry Partner(s) (refer Section A.6.12 and Section A.6.14)

## 6.8 Industry Co-Funding

All Contestable Fund Projects are required to attract a minimum industry cash co-funding requirement of 10% of the total project budget, minus industry in-kind co-funding, for Research Grants.

$$[\text{Industry cash required} = ((\text{Total budget} - \text{Industry in-kind co-funding}) \times 0.1)]$$

Although the level of cash co-funding for Research Grants is set at a minimum of 10% of the total budget minus in-kind industry contributions, the level of cash co-funding can exceed 10% and is a Business Case Assessment Criteria as it demonstrates the level of commitment of the Industry Partner to the Project.

For Development Grants the industry-co-funding can be entirely in-kind.

### Example

Respondent A has submitted a Proposal for a Seed Grant with a total budget of \$100,000.

Industry Partner B provides in-kind co-funding of \$30,000.

Industry Partner B provides a minimum of \$7,000 cash co-funding. Calculated as:  $(\$100,000 - \$30,000) \times 0.1$ .

In total, Industry Partner B is committing \$37,000 combined cash and in-kind co-funding to the total budget of \$100,000. Therefore, the maximum HVN Grant that can be provided is \$63,000.

## 6.9 Provision of F&B Product for Research Grants

It is expected that the Industry Partner will provide all F&B product required for a Research Grant and will fund any associated product development costs. It is recommended the Respondent engage with the HVN Science of Food enabling programme for discussion on suitability of products for studies, or any product development requirements.

## 6.10 Intellectual Property

All Subcontracts and Industry Agreements need to be consistent with the [HVN IP Policy and Principles](#) detailed on our website ([www.highvaluenutrition.co.nz](http://www.highvaluenutrition.co.nz)).

The core principle is that IP ownership and management arrangements must create and maximise **Benefit for New Zealand**. In the context of HVN, this means that the IP arrangements must support the achievement of the Challenge Mission, which is to *build the science excellence and knowledge New Zealand needs to create and deliver foods to the world that people choose to stay healthy and well*.

Two key implications arising from the Benefit to New Zealand principle are:

1. Challenge Members and other Research Organisations must have continuing access to relevant 'Project IP' that is required to undertake research to advance the mission of HVN
2. There is an obligation to take proactive steps to commercialise Project IP.

The specific IP ownership, management and commercialisation arrangements for the Research are to be negotiated and agreed between the Respondent, Sub-Subcontractors and Industry Partners, and recorded in an IP Management Plan that will be lodged with the Challenge Contractor.

## 6.11 Mātauranga Māori

The HVN IP Policy and Principles state that the Treaty of Waitangi must be taken into consideration.

In recognition of this principle, the Subcontracts include the following provision:

*"The parties are aware of the Government's obligations to Māori on behalf of the Crown under Te Tiriti o Waitangi in relation to Mātauranga Māori, Taonga Works and Taonga Species. The parties will use best endeavours to respect and adhere to Te Tiriti o Waitangi and subsequent Waitangi Tribunal recommendations, including those in the Wai 262 Report. This includes:*

- a) seeking expert advice from Māori to identify kaitiaki relationships;*
- b) taking into account the advice received pursuant to subsection (a), ensuring that any use of Mātauranga Māori, Taonga Works and Taonga Species is agreed in advance with the originating whānau, hapū and/or iwi groups and documented in access and benefit sharing agreements developed in partnership with the originating whānau, hapū and/or iwi groups, and acknowledged in publications relating to the research with the consent of the originating whānau, hapū and/or iwi groups; and*
- c) ensuring that any applications for the protection or commercialisation of New IP disclose the origin of the Mātauranga Māori, Taonga Works and Taonga Species if relevant to the application"*

All Industry Agreements entered into by Successful Respondents and their F&B Industry Partner(s) need to be consistent with this provision.

## 6.12 Economic Impact Reporting

The HVN Board is responsible for ensuring that the Challenge achieves its mission and delivers Benefit for New Zealand. To enable the Board monitor progress against key performance indicators, each Industry Partner is required to submit a single annual report in July each year documenting progress against the Business Case projections.

The reporting method will be a brief questionnaire and/or semi-structured interviews to **minimise the administrative effort for industry** and will include questions similar to those contained in the recent review of the Primary Growth Partnership (2018), such as:

- a) *“Thinking back to the initial business case, and with the benefit of experience, would you say the estimated economic benefits for your programme were:*
- *highly optimistic, optimistic*
  - *about right*
  - *pessimistic*
  - *highly pessimistic?*

*Why was this?”*

- b) *“Which statement best describes the likely economic benefits your programme will deliver in relation to the original business case:*
- *higher and earlier than expected*
  - *higher but later than expected*
  - *lower and earlier than expected*
  - *lower and later than expected*
  - *as expected*

*What factors have caused you to form this view?”*

The annual economic impact report is an opportunity for Industry Partner(s) to document other impacts that were not foreseen at the time of submitting the Business Case and to provide brief narrative on the steps taken since the Business Case to incorporate the available or anticipated research findings into functional strategies and operating models.

## 6.13 Research Project Reporting

Successful Respondents will be required to submit two Progress Reports (November, March) and an Annual Report (July) each year. Successful Respondents will also be required to provide all information and support reasonably necessary for the completion of impact case studies and MBIE reporting requirements as advised by the HVN Directorate.

## 6.14 Impact Case Studies

All 11 National Science Challenges are required to produce impact case studies to demonstrate that the Challenge is delivering tangible economic, social and environmental impacts and benefits for New Zealand in addition to scientific outcomes and academic publications.

HVN will be working with selected Tranche 2 Successful Respondents and their F&B Industry Partners to develop these case studies which will have a broader focus than economic impact reporting and could include a range of direct and indirect impacts from the HVN research and associated innovation activity, including:

- the evolution of effective research partnerships between industry and research organisations

- how science supports the development of F&B with valued and validated health benefits
- an increased focus on business innovation and transitioning to high-value F&B
- how the innovation activity has progressed the Vision Mātauranga principles of indigenous innovation, mātauranga, hauora, and/or taiao
- the growth of international business opportunities
- the marketing models and commercialisation strategies used to implement F&B research
- increased consumer awareness, brand recognition and value placed on health benefits
- the return on R&D investment, collaboration and innovation activity
- the Benefit to New Zealand of the F&B sector.

The impact case studies will be structured to **minimise the administrative effort for industry** and will be structured as a series of interviews and/or questionnaires to supplement the annual economic impact report. Participating industry partners need to allow sufficient time and resources for the completion of these impact case studies (if required) in addition to the annual economic impact reporting.

## 7. Review and Assessment Process

### 7.1 EOIs

EOIs will be recorded and reviewed by the HVN Directorate.

The HVN Directorate will acknowledge receipt of EOIs in writing to the Respondent Point of Contact within two (2) Business Days and will respond to any requests for support that are outlined in the EOI within 15 Business Days.

### 7.2 Full Proposals

The HVN Directorate will convene an Assessment Panel on a quarterly basis to review all Full Proposals received in the preceding three months.

#### 7.2.1 Assessment Panel Membership

The Assessment Panel shall comprise:

- Independent Chair
- Scientist(s) with relevant expertise
- HVN Directorate (Director and Chief Scientist)
- F&B industry representative(s)
- Vision Mātauranga representative
- Representative with F&B regulatory expertise

In addition to the panel members identified above, the HVN Directorate may invite independent advisors to evaluate Proposals and seek input as needed from the HVN Science Leadership Team.

#### 7.2.2 Acknowledgment

The HVN Directorate will acknowledge receipt of Full Proposals in writing to the Respondent Point of Contact within two (2) Business Days.

#### 7.2.3 Initial Review

The HVN Directorate will complete the initial review of the Proposal within ten (10) Business Days and may request that the Respondent provide additional information or to clarify aspects of the Proposal for the

Assessment Panel. If the Proposal does not satisfy the eligibility criteria in the RFP, the Respondent will be notified in writing and the Proposal will not be progressed to the Assessment Panel.

#### 7.2.4 Assessment

The Assessment Panel shall convene on a quarterly basis to review the Proposals and any additional information received following the Initial Review.

Research Grants shall be assessed against the Research Plan Assessment Criteria (Section A.3) and the Business Case Assessment Criteria (Section A.4).

Development Grants will be assessed against the Development Grant Assessment Criteria (Section A.5).

#### 7.2.5 Recommendations to Board

The Assessment Panel will make one of the following recommendations to the HVN Board:

- Supported
- Supported with Conditions (including Reduced Funding or Additional Information Required)
- Not Supported – Invite to Resubmit
- Not Supported

#### 7.2.6 Board Approval

The HVN Board will meet to consider the recommendations of the Assessment Panel. The potential outcomes of this meeting are:

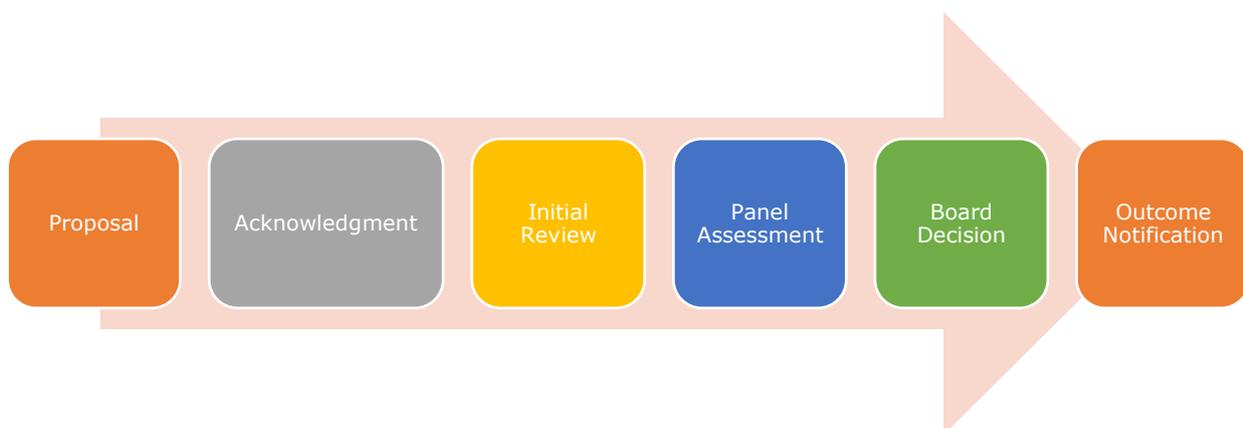
- Approved
- Approved with Conditions (including Reduced Funding or Additional Information Required)
- Not Approved – Invite to Resubmit
- Not Approved

#### 7.2.7 Outcome Notification

The HVN Directorate will communicate the decision of the HVN Board in writing to Successful and Unsuccessful Respondents within ten (10) Business Days of the Board meeting.

#### 7.2.8 Respondent Briefing

Upon receipt of the Outcome Notification the Respondent will be invited to a briefing with the HVN Directorate to discuss the Assessment Panel recommendations and Board decision, and further opportunities to engage with the HVN Challenge.



**Figure 2: Review and assessment process for Full Proposals.**

