

## Endeavour Fund 2019 Funding Round

### Notice to the Science Board

1. In this notice, I:
  - a. specify that the Science Board is to make funding decisions on proposals for the Ministry of Business, Innovation and Employment (MBIE) Endeavour Fund under section 10(3)(b) of the Research, Science, and Technology Act 2010 ('RS&T Act 2010');
  - b. set the criteria for the eligibility and assessment of proposals for the Endeavour Fund under section 8(1) of the RS&T Act 2010;
  - c. specify the total value of funding available for the Science Board to award to proposals in the 2019 Funding Round; and
  - d. specify the funding mechanisms to be used, and the value and duration of investments under those funding mechanisms.

### General Policy Objectives

2. The general policy objectives of the Endeavour Fund are to:
  - a. support research, science or technology, or related activities that have high potential to positively transform New Zealand's economic, environmental, and social outcomes, and give effect to the Vision Mātauranga policy; and
  - b. drive an increasing focus on:
    - i. excellent research; and
    - ii. the potential for impact in areas of future value, growth or critical need for New Zealand.

### Interpretation

3. For the purposes of this notice and the Schedules to this notice, the terms:
  - a. **Vision Mātauranga policy** means the government policy which aims to enable a distinctive contribution to New Zealand by Māori through their engagement with research, science and innovation.
  - b. **research organisation** means an organisation that has sufficient internal capability for carrying out research, science or technology, or related activities.
  - c. **relevance of benefits** means the extent of alignment with one or more areas of future value, growth or critical need for New Zealand.
  - d. **areas of future value, growth or critical need for New Zealand** includes, but is not limited to, those areas specified as such in the Investment Plan.
  - e. **radical change** means 'altering the fundamental nature of something'.
  - f. **2019 Funding Round** means the call for proposals made in 2018 and for which funding decisions are announced in 2019.
  - g. **Investment Plan** means the Endeavour Fund Investment Plan dated 3 September 2018 published on MBIE's website: <http://www.mbie.govt.nz/endeavour-fund-investment-plan-2019-2021.pdf>.

### Funding Available

4. The Science Board may invest up to \$58 million of new, annual funding (excluding GST) through the 2019 Funding Round for the Endeavour Fund with an indicative split of \$40 million in the Research Programmes investment mechanism and \$18 million in the Smart Ideas investment mechanism.
5. The table below gives indicative new annual funding by mechanism available under the 2020 and 2021 Funding Rounds:

Investment Mechanism	2020	2021

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Research Programmes	\$40 million	\$40 million
Smart Ideas	\$18 million	\$18 million

### Funding Decisions

6. In making funding decisions on proposals for the Endeavour Fund, the Science Board will allocate funds as set out in the Investment Plan.
7. The Science Board must make funding decisions on proposals for the Endeavour Fund in accordance with:
  - a. the Public Finance Act 1989 and the relevant Appropriation Acts for Vote Business, Science and Innovation;
  - b. the eligibility and assessment criteria specified in this notice and the relevant Schedules to this notice;
  - c. the investment signals set out in the Investment Plan;
  - d. the portfolio approach described in clause 8; and
  - e. the government's Vision Mātauranga policy.

### Portfolio Approach

8. In making funding decisions on proposals for the Endeavour Fund, the Science Board will take a portfolio approach, including:
  - a. Ensuring each proposal funded has sufficient merit as assessed against the excellence and impact criteria in the relevant Schedules to this notice;
  - b. Considering how the overall mix of investments made, and the resulting total portfolio of new and existing contracts under the Endeavour Fund, meet the investment signals in the Investment Plan;
  - c. Considering the value offered by the largest Research Programme proposals;
  - d. Avoiding duplication, or excessive concentration, of research in any given area in the Endeavour Fund and the broader public science system; and
  - e. Meeting general policy objectives set out in clause 2 of this notice and specific policy objectives set out in clause 1 of each Schedule to this notice including, where appropriate, the Vision Mātauranga policy.

### Eligibility Criteria

9. For proposals to be assessed under the Endeavour Fund against the assessment criteria set out in the Schedules to this notice, they must:
  - a. be made by a New Zealand-based Research Organisation or a New Zealand-based legal entity representing a New Zealand-based Research Organisation;
  - b. be designed so that the majority of benefits accrue outside of the Research Organisation or legal entity which represents the Research Organisation;
  - c. not be made by a department of the public service as listed in Schedule 1 of the State Sector Act 1988;
  - d. be made under an investment mechanism specified in the Schedules to this notice;
  - e. be for research, science or technology, or related activities, the majority of which are to be undertaken in New Zealand, unless the Science Board considers that there are compelling reasons to consider the proposals, despite the amount of research, science or technology or related activities being proposed to be undertaken overseas;
  - f. not be for research with the primary objective of health outcomes;
  - g. meet any applicable timing, formatting, system or other similar administrative requirements imposed by MBIE in supplying administrative services to the Science Board under section 10(7) of the RS&T Act 2010; and
  - h. advise that the proposed funding recipient will, and the Science Board is of the view that it can, adhere to the terms and conditions of funding set out in an investment contract determined by the Science Board.

**Effective Date**

10. This notice and the Investment Plan will come into effect on 3 September 2018.

11. This notice will be revoked on 1 November 2019.

Dated at Wellington this 3rd day of September 2018.

HON DR Megan Woods, Minister of Research, Science and Innovation.

**Schedule 1**

**Smart Ideas Investment Mechanism**

**Specific Policy Objectives**

1. This investment mechanism is intended to catalyse and rapidly test promising, innovative research ideas with high potential for benefit to New Zealand, to enable refresh and diversity in the science portfolio.

**Value and Duration of Funding**

2. Investments made under the Smart Ideas mechanism will have a duration of either two or three years.
3. Investments made under the Smart Ideas mechanism will have a minimum value of \$0.4 million and a maximum value of \$1 million per contract.

**Assessment Criteria**

4. A proposal for Smart Ideas that has been assessed as eligible for the Endeavour Fund under clause 9 of the main notice must be assessed having regard to the extent to which the proposal meets the following criterion:
  - a. Excellence.
    - i. Science (weighted 50%). Research should be well-designed, involve risk and/or novelty, and leverage additional value from wider research. Assessment must have particular regard to whether the proposed research, science or technology or related activities:
      - a. progress and disseminate new knowledge;
      - b. have a well-designed research plan and credible approach to risk management;
      - c. are ambitious in terms of scientific risk, technical risk, novelty and/or innovative approaches; and
      - d. are well-positioned in the domestic and international research context.
    - ii. Team (weighted 15%). The proposed team should have the mix of complementary skills, knowledge and resources to deliver the proposed research, science or technology or related activities, and to manage risk.
5. Only proposals that have been assessed as having sufficient quality against the Excellence assessment criterion under clause 4(a) of this Schedule will be assessed with regard to the following criterion:
  - a. Impact.
    - i. Benefit to New Zealand (weighted 25%). Research should have direct and indirect benefits or effect on individuals, communities or society as a whole, including broad benefits to New Zealand's economic, social, human or natural capital. Assessment must have particular regard to:
      - a. the scale and extent of potential benefits from the proposed research, science or technology or related activities; and
      - b. the Relevance of Benefits and additional value delivered to New Zealand.
    - ii. Implementation Pathway(s) (weighted 10%). The credibility of indicative implementation pathway(s) to deliver public benefit to New Zealand, not limited to a single firm or end-user, and which may be uncertain in nature;
6. Proposals that have been assessed against both the Excellence and Impact assessment criteria in this schedule may be assessed for their alignment with investment signals in the Investment Plan.

**Schedule 2**

**Research Programmes Investment Mechanism**

**Specific Policy Objectives**

1. This investment mechanism is intended to support ambitious, excellent, and well-defined research ideas which, collectively, have credible and high potential to positively transform New Zealand's future in areas of future value, growth or critical need.

**Value and Duration of Funding**

2. Investments made under the Research Programmes mechanism will have a duration of either three, four or five years.
3. Investments made under the Research Programmes mechanism will have a minimum value of \$0.5 million per year.
4. The Science Board will consider whether the largest Research Programme proposals provide good value. As a result, the Science Board may choose to fund some smaller proposals instead, which it considers offer better value.

**Impact categories**

5. A proposal for Research Programmes must be made under one of the impact categories 'Transform' or 'Protect and add value'.
6. Proposals in the 'Transform' category should meet the following criteria:
  - a. Immediate impact. Is the new, or changed, technology, process, practice, business model or policy, that is enabled by the research, a radical change and/or a leap in performance versus the status quo?; and
  - b. Ultimate impact. Could the research ultimately lead to a transformational change within the New Zealand economy, society or environment by, for example, creating or disrupting economic activities, creating a new sustainable resource use or eliminating environmental damage, or changing the character of risks and opportunities faced by individuals and society?
7. Proposals that do not meet both criteria under clause 6 of this schedule should be made under the 'Protect and add value' category.
8. When making funding decisions, the Science Board will attempt to invest funding to proposals in each impact category in the ratio given in the Investment Plan, subject to the considerations set out in clause 8 of the main notice.

**Assessment Criteria**

9. A proposal for Research Programmes that has been assessed as eligible for the Endeavour Fund under clause 9 of the main notice must initially be assessed with regard to the extent to which the proposal meets the following criterion:
  - a. Excellence.
    - i. Science (weighted 25%). Research should be well-designed, involve risk and/or novelty, and leverage additional value from wider research. Assessment must have particular regard to whether the proposed research, science or technology or related activities:
      - a. progress and disseminate new knowledge;
      - b. have a well-designed research plan and credible approach to risk management;
      - c. are ambitious in terms of scientific risk, technical risk, novelty and/or innovative approaches; and
      - d. are well-positioned in the domestic and international research context.
    - ii. Team (weighted 25%). The proposed team should have the mix of complementary skills, knowledge and resources to deliver the proposed research, science or technology or related activities, and to manage risk.

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10. Only proposals that have been assessed as having sufficient quality against the Excellence assessment criterion under clause 9(a) of this Schedule will be assessed with regard to the following criterion:
- a. Impact.
    - i. Benefit to New Zealand (weighted 25%). Research should have direct and indirect benefits or effect on individuals, communities or society as a whole, including broad benefits to New Zealand's economic, social, human or natural capital. Assessment must have particular regard to:
      - a. the scale and extent of potential benefits from the proposed research, science or technology or related activities; and
      - b. the Relevance of Benefits and additional value delivered to New Zealand.
    - ii. Implementation Pathway(s) (weighted 25%), including:
      - a. the credibility of implementation pathway(s) to deliver public benefits to New Zealand, not limited to a single firm or end user, and the strength of relationships with relevant end users, beneficiaries, or stakeholders; and
      - b. the mix of complementary skills and experience, within the team, relevant to achieving impact in the proposed impact areas.
11. Proposals that have been assessed against both the Excellence and Impact assessment criteria in this Schedule will be assessed for their alignment with investment signals in the Investment Plan.