



FACT SHEET

PreSeed Accelerator Fund

May 2016

The Ministry of Business, Innovation and Employment (MBIE) is seeking better economic outcomes from the commercialisation of publicly funded research in New Zealand.

The Pre-Seed Accelerator Fund (PreSeed) is a devolved fund for research organisations for early stage commercialisation of new ideas. PreSeed is intended to stimulate and attract investor interest to publicly funded research and development, and seeks to:

- maximise the commercial benefits to New Zealand of previously publicly funded research
- raise public sector providers' commercial capabilities and skills
- improve public sector research providers' links with potential private sector partners

PreSeed has been in place since 2003 and is delivering substantial benefits for research commercialisation. MBIE is proposing a number of changes to make it more effective by:

- broadening the utility of PreSeed to all publicly-funded contestable research
- making it easier for projects to protect their IP
- gathering better data about the performance of the innovation system
- helping PreSeed contract holders to manage their funding flows

MBIE has released a Call for Proposals (CfP) for the current round of PreSeed.

The total amount of funding available will be \$8.3 million per year. Please note that this is a \$3 million per year increase announced in the Budget for 2016.

Contracts to the organisations will be for three years with the possibility of re-negotiation for a further three years. Successful contract holders will allocate their funds to commercialisation projects of their own choosing in conjunction with recommendations and/or approval from a CPN investment committee as defined below.

Key features of PreSeed

- PreSeed will be open to publicly-funded research organisations or collectives of eligible research organisations.
- PreSeed-funded projects will require 50 per cent co-funding from other sources.
- PreSeed will normally fund up to \$250,000 per project for a maximum of two years.



- The 'use it or lose it' principle will apply to PreSeed funds. This will allow MBIE to reallocate unused funds on an annual basis as appropriate.
- Eligible expenses include:
 - external expert advice
 - experimental proof of concept and prototyping
 - market analysis and early development
 - commercialisation staff time, excluding overhead
 - intellectual property expenses
- Reporting will focus on a combination of monitoring and outcome-based measures. Reports will be made quarterly (primarily monitoring measures) and annually (primarily outcomes measures).
- A tiered approach for approval of funding will be implemented. Expenditure beyond \$60,000 will require approval from a CPN investment committee. The requirements for each tier of funding are listed in the table below.

Criteria	Devolved funding
Eligible organisations	Publicly-funded research organisations or agents for public research organisations.
Duration of funding to organisation	Three years with an option for renegotiation for a further three years.
Project limits on PreSeed claim	Normally \$250,000 of PSAF with a two year project duration.
Co-funding ratio	At least 50:50
Tiered approval system	Funds managed by organisation; however expenditure beyond a certain level requires notification, feedback or approval by a CPN investment committee as defined below.
Tier 1 <i>Total PSAF claim less than \$60,000</i>	Funding to perform initial work on a project to prepare it for commercialisation. Organisation to consult a CPN investment committee of the decision to fund the project if more than \$30,000.
Tier 2 <i>Total PSAF claim greater than \$60,000</i>	Project to be presented to a CPN investment committee for approval prior to a decision being made by the organisation to fund the project.



Contracting Process	Time Frame
CfP released	29 January 2016
Applications closed	Noon, 31 March 2016
Announcement of selection results	June 2016
Contracts begin	1 July 2016