



GUIDELINE FOR APPLICANTS

TECHNOFUND

(PRE-COMMERCIALISATION FUND)

1. INTRODUCTION

1.1 Research and development (R&D) and innovation assume a key role in advancing S&T in a knowledge-based and innovation-driven economy. New and improved technologies create new products/services that enhance wealth creation and societal well-being for nations. At the same time, R&D enhances national competitive advantage.

1.2 Realising the importance of R&D and innovation, the Government has initiated a competitive funding, the TechnoFund, to undertake pre-commercialisation of new and improved technologies in the Ninth Malaysia Plan (2006 – 2010).

1.3 TechnoFund for Dana R & D Pertanian is a competitive funding to undertake development of new and improved technologies in four (4) sub-clusters namely Livestock, Crops, Food & Agro Based Industry and Marine/Aquatic. New technologies or acquired technologies submitted for this funding must have an extensive potential usage/application or the commercial potential to create new businesses and generate economic wealth for Malaysia.

1.4 The process should involved activities right from the development of lab scale prototype up to the pre-commercialisation stage that involves up-scaling of commercially ready prototype/pilot plant, up-scale production unit and field trials for demonstration and testing purposes. In other words, Technofund serves as a bridging fund to address the funding gap exists between the earlier basic research stage and the commercialisation stage.

2. AIMS OF TECHNOFUND

2.1 TechnoFund aims to:

- i. Enhance the growth of the agriculture industries through the use of new and innovative technologies.
- ii. Stimulate the growth and successful innovation of Malaysian technology-based enterprises by increasing their level of R&D and commercialisation;
- iii. Increase capability and capacity of Malaysian Government Research Institutes (GRI) and Institutions of Higher Learning (IHL) to undertake market driven R&D and to commercialise the R&D outputs through spin-off companies/ licensing;
- iv. Enhance global competitiveness and R&D culture among Malaysian technology-based enterprises;

- v. Increase contribution to Malaysia's GDP through economic wealth creation and exports; and
- vi. Foster greater collaboration between Malaysian enterprises and GRI / IHL.

3. FUNDING

TechnoFund supports pre-commercialisation activities such as development (up-scaling) of commercial ready prototypes / pilot plants / up-scaled production unit, field trials for demonstration and testing purposes but not for commercial exploitation.

Funds for acquisition of IP (academic/ laboratory scale prototype) from overseas or local sources for further development up to pre-commercialisation stage can also be requested.

4. TARGET GROUP

4.1 Application is open to applicants from:

4.1.1 Government Research Institutes (GRIs)

4.1.2 Malaysian Institute of Higher Learnings (IHLs)

4.1.3 Small/Medium Enterprises companies registered with ROC (Registrar of Companies) with annual turnover more than RM200,000 and less than RM 5 million

4.1.4 Corporatives registered with MCC (Malaysian Coperative Commission)

4.2 All categories of companies except IHLs and GRIs must have a minimum of 51% equity held by Malaysians.

5. COLLABORATION

5.1. Company/Corporative applicants are encouraged to collaborate with one or more GRI/IHL (public or private). In any case, the company or any industry partner(s) must have a minimum of 51% equity held by Malaysian and should jointly contribute to financial or non-financial resources to the project.

5.2. GRI/IHL applicants are also encouraged to collaborate with industry partner(s) to undertake joint collaboration. However, should there be no collaborator(s), the applicant must seek the assistance from the institution particularly in the business plan and must possess and satisfy the committee on his capability to undertake and complete the project.

5.3. Applicants are advised to have mutual agreement or understanding with collaborators prior to the signing of the TechnoFund Agreement.

5.4. There shall be no changes or substitutions for the Collaborator, unless with the prior written approval of the Ministry of Agriculture and Agro-based Industry.

6. AGRICULTURE SUB-CLUSTERS

Project proposals eligible for consideration must fall under any of the four (4) technology sub-clusters listed below:

- (a) Crops
- (b) Marine/Aquatic
- (c) Food & Agro-Based Industry
- (d) Livestock

7. APPROVAL CRITERIA

7.1. Approval of application takes into consideration, amongst others, the following criteria:

(a) Applicants must submit project proposals under one of the technology sub-clusters listed in paragraph 6 leading to commercialisation of new and improved technologies;

(b) Applicants must belong to any of the target groups listed in paragraph 4 of this guideline;

(c) Project teams should consist of appropriate mix of suitable and qualified members in technical and commercialisation aspects;

(d) Applicants must show proof of financial capability or proposed source (for start-up, spin-off, small company and corporative including industry partner(s) of IHL and GRI) to finance the portion of project cost not funded by TechnoFund;

(e) Project proposals must contain elements as such:

- (i) technically viable for up-scaling to pre-commercialisation stage and produce outputs with widespread usage or commercial potential within the stated technology sub-clusters;
- (ii) show evidence that the project outcome has direct economic benefit to Malaysia and enhancement of Malaysia's competitiveness;
- (iii) objectives must be realistic and the methodology to be used must be reasonable; and
- (iv) project costs must be reasonable and justifiable taking into consideration activities at the pre-commercialisation stage;

(f) Applicants must fulfil other conditions stipulated under the guidelines and policies of MoA TechnoFund.

8. PROPOSED PROJECT

8.1. Approved proposals under TechnoFund may be undertaken in Malaysia or overseas (if justified), but the proposed project must show direct economic benefit and return for Malaysia.

8.2. Projects approved will be closely monitored and supervised by agencies or bodies determined by the Ministry of Agriculture and Agro-based Industry. Project owners shall be obliged to submit periodic reports (including milestones reports) and documents as specified in the TechnoFund agreement to the Ministry of Agriculture and Agro-based Industry.

9. SCOPE OF FUNDING

9.1 The approved projects will be completely funded as a grant for all eligible expenditures. Non-eligible expenditures such as land cost, salary for permanent staff and any capital items not approved by the evaluation panel committee should be borne equally by the entity and collaborator.

9.2. Payment will be made in stages based on activity. The first payment will be disbursed upon signing of the agreement, and the subsequent payments may be disbursed on activity.

9.3. The eligible expenditure are:

Type	Scope of Funding
PRE - COMMERCIALISATION	Pilot plant & Equipment (if applicable)
	Up-scale production unit/ Field Trial (if applicable)
	Commercial Ready Prototype
	IP Preparation and Registration in Malaysia only (excluding maintenance)
	Market Testing of Commercial Ready Prototype
	Regulatory and Standards Compliance
	Contract Expenditure (salary of contract experts, sub-contractor(s))
	Expenditure of Services (market survey, consultancy and testing)
IP ACQUISITION	Acquisition of IP (laboratory scale) Training (technology transfer)

9.4. Certain equipments and tools may not be funded if technically it can be shared among applicants or with other institutions.

10. PROJECT DURATION

10.1. The maximum project duration for Pre-Commercialisation is up to 30 month.

11. TECHNOFUND AGREEMENT

11.1. A TechnoFund Agreement will be signed between the Ministry of Agriculture and Agro-based Industry and successful applicant (entity) detailing the terms and conditions of funding.

11.2. Applicant is advised not to commence the project until a TechnoFund Agreement is duly signed. Any expenditure incurred for work carried out prior to signing of the Agreement will not be eligible for reimbursement.

11.3. Approved projects will be supervised, monitored, and evaluated by technical evaluation panels respectively. The ministry deserves the right at any time to suspend or terminate any project(s) or payments that it considers that such suspension or termination is necessary for national interest, in the interest of national security or for the purpose of Government policy or public policy.

11.4 Any infrastructure and equipments developed on the entity's land will be owned and managed by the entity.

12. INTELLECTUAL PROPERTY (IP) RIGHTS

12.1. End product developed under TechnoFund is encouraged to be patented and registered for Intellectual Property Rights. Successful registration is to be informed to the TechnoFund Secretariat. IP rights may belong to the government or the applicant(s) or joint-ownership by both parties as being specified in the Technofund agreement.

13. POST PRE-COMMERCIALISATION

Entity is required to submit a progress report on the commercialisation status or widespread usage of the completed TechnoFund project within twelve (12) months after the completion date.

14. APPLICATION AND SUBMISSION

14.1. Application is open throughout the year and can be submitted during office hours. The proposal will be vetted technically and commercially before decision can be made.

14.2. Applicants can browse <http://www.moa.gov.my> for further information and download the latest version of the application forms and guidelines for applicant.

14.3. GRI and IHL applicants must submit applications through their respective Research Management Centre (RMC) for vetting and recommendations.

14.4. All applications/enquiries pertaining to TechnoFund should be sent/directed to:

**Ministry of Agriculture & Agro-Based Industry,
Wisma Tani,
No.28 Persiaran Perdana, Presint 4,
Pusat Pentadbiran Kerajaan Persekutuan
62624 Putrajaya, Malaysia.**

(U.P : Bahagian Khidmat Sokongan dan Pembangunan Industri)

Tel: 603-8870 1000/1277

Fax: 603- 8888 8463

e-mail: technofund@moa.gov.my

14.5. Complete applications shall be acknowledged and assigned a reference number upon submission for future enquiries. Incomplete or ineligible applications will not be entertained.